FALCON GOLD CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR

Dated: June 22, 2022

Meeting Details

Date:	August 10, 2022
Time:	10:00AM PST
Place:	Suite 2200, 885 West Georgia Street Vancouver, British Columbia, V6C 3E8

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the transaction described in this information circular.

FALCON GOLD CORP.

Suite 615, 800 West Pender Street
Vancouver, British Columbia, V6C 2V6, Canada
Telephone: 604-716-0551

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the holders of common shares ("**Shareholders**") of Falcon Gold Corp. (the "**Company**" or "**Falcon Gold**") will be held at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, Canada on the 10th day of August, 2022 at 10:00 a.m. (Vancouver time) for the following purposes:

(a) to receive and consider the audited consolidated financial statements of the Company as at and for the financial years ended June 30, 2020 and 2021, together with the reports of the auditor thereon;

(b) to re-appoint Manning Elliott LLP, Chartered Professional Accountants as auditor of the Company for the ensuing year and authorize the board of directors to fix the remuneration of the auditor;

(c) to fix the number of the directors of the Company for the ensuing year at three (3);

(d) to elect directors to hold office for the ensuing year;

(e) to consider, and if deemed advisable, to approve, with or without variation, the adoption of a new security-based compensation plan (the "**Compensation Plan**"), as more particularly described in the accompanying management proxy circular;

(f) to consider, and if deemed advisable, to approve, with or without variation, a special resolution (the "**Arrangement Resolution**") to approve a statutory plan of arrangement (the "**Plan of Arrangement**") under section 288 of the *Business Corporations Act* (British Columbia), which involves, among other things, Falcon Gold exchanging with Latamark Resources Corp. ("**Latamark**") the Latamark preferred shares held by Falcon Cold and transferring and assigning all of its right, title and interest in and to the Esperanza Option Agreement to Latamark for and in consideration of (i) Latamark assuming the Esperanza Option Agreement Obligations on such comparable terms as may be agreed by Latamark and the Optionors, (ii) Latamark issuing 5,000,000 Latamark Shares to Falcon Gold, and (iii) Latamark issuing to the Falcon Gold Shareholders one Latamark Share in exchange for every 5.8 common shares of Falcon Gold ("**Falcon Gold Shares**") held, pro-rata as to the number of Falcon Gold Shares held by each Falcon Gold Shareholder; and

(g) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the Information Circular.

The Company is offering Shareholders the opportunity to participate in the Meeting by way of teleconference. Registered Shareholders, or proxyholders representing registered Shareholders, participating in the Meeting by way of teleconference will be considered present in person at the Meeting for the purposes of determining quorum. Shareholders wishing to participate by teleconference may do so by dialing the following conference line, and entering the conference ID set forth below:

Conference Line: 1-866-651-2727

Conference ID: 2835875

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular.

In light of the ongoing concerns related to the COVID-19 pandemic, the Company asks that Shareholders follow the current instructions and recommendations of federal, provincial, state and local health authorities when considering attending the Meeting. While it is not known what the situation with COVID-19 will be on the date of the Meeting, the Company will adhere to all government and public health authority recommendations and restrictions in order to support efforts to reduce the impact and spread of COVID-19. As such, in order to mitigate potential risks to the health and safety of our communities, Shareholders, employees and other stakeholders, the Company is urging all Shareholders to participate by teleconference or vote by proxy in advance of the Meeting and not to attend the Meeting in person. The Company will follow the guidance and orders of government and public health authorities in that regard, including those restricting the size of public gatherings.

We strongly encourage Shareholders to attend the Meeting via teleconference and to vote their Falcon Gold Shares prior to the Meeting by proxy, prior to the proxy cut-off at 10:00 a.m. (Vancouver time) on August 8, 2022, as voting will not be available via telephone on the day of the Meeting.

As set out in the notes, the enclosed proxy is solicited by management, but, you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

Shareholders who wish to attend the Meeting in person must call the Company at (604) 716-0551 at least 48 hours prior to the date of the Meeting for further instructions on in-person attendance procedures.

DATED this 22nd day of June, 2022.

By order of the Board of Directors.

FALCON GOLD CORP.

/s/ "Karim Rayani"

Karim Rayani
Chief Executive Officer and Director

FALCON GOLD CORP.

Suite 615, 800 West Pender Street
Vancouver, British Columbia, V6C 2V6, Canada
Telephone: 604-716-0551

MANAGEMENT INFORMATION CIRCULAR

(containing information as at June 22, 2022 unless otherwise stated)

For the Annual General and Special Meeting
to be held at 10:00 a.m. PST on Wednesday, August 10th, 2022

SOLICITATION OF PROXIES

This information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the Management of Falcon Gold Corp. (the "**Company**"), for use at the annual general and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of the Company to be held on August 10, 2022, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment and postponement thereof.

The enclosed form of proxy (the "**Proxy**") is solicited by the management of the Company. The solicitation will be primarily by mail however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation, if any, will be borne by the Company.

Delivery of Proxy Materials

The Company has elected to use the notice and access method of delivering meeting materials to both registered and beneficial shareholders. Registered shareholders will still be mailed a form of proxy, and beneficial shareholders will still be mailed a voting instruction form, allowing them to vote at the Meeting. Shareholders will also receive in the mail a notice with information about the Meeting and instructions on how they can access electronic copies of the meeting materials rather than receiving printed copies. The meeting materials will be available on SEDAR (www.sedar.com) and the Company's website (www. falcongold.ca). Shareholders with questions about notice and access can call Endeavor Trust Corporation toll free at 1-888-787-0888.

Shareholders may access electronic copies of the meeting materials online at the Company's website or SEDAR on or after July 11, 2022, which is the date that the Company intends to commence mailing notice packages to the shareholders of record.

The Company does not intend to use "stratification" (i.e. sending a paper information circular and/or annual financial statements and MD&A to certain shareholders); however the Company will comply with standing instructions or other requests for paper information circular and/or annual financial statements and MD&A received from beneficial holders.

The Company intends to mail directly to its non-objecting beneficial owners ("**NOBOs**") in compliance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"). The Company does not intend to pay for Intermediaries (as defined in the section '*Notice to Beneficial Holders*' below) to forward meeting materials to the objecting beneficial owners ("OBOs") pursuant to NI 54-101. Therefore, OBOs will not receive materials unless their Intermediary assumes the cost of delivery.

APPOINTMENT OF PROXYHOLDERS

The persons named in the Proxy are representatives of the Company.

A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder's nominee in the blank space provided or complete another suitable form of proxy.

A proxy will not be valid unless it is duly completed, signed and deposited with the Company's registrar and transfer agent, Endeavor Trust Corporation ("**Endeavor Trust**") by hand or mail at 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, by fax to 604-559-8908, or by internet by going to www.voteproxyonline.com and entering your unique control number therein not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

VOTING BY PROXYHOLDER

Manner of Voting

The common shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the "**Proxyholders**") will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.

Revocation of Proxy

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand or mail, with Endeavor Trust at 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, by fax to 604-559-8908, or by internet by going to www.eproxy.ca and following the instructions therein, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting Thresholds Required for Approval

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution (a "**Special Resolution**"), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who

are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

ADVICE TO REGISTERED SHAREHOLDERS

Shareholders whose names appear on the records of the Company as the registered holders of common shares in the capital of the Company (the "**Registered Shareholders**") may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Endeavor Trust by hand or mail at 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, by fax to 604-559-8908, or by internet by going to www.eproxy.ca and entering your unique control number therein not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

Returning your proxy form

To be effective, we must receive your completed proxy form or voting instruction no later than 10:00 a.m. (Vancouver time) on August 8, 2022.

If the meeting is postponed or adjourned, we must receive your completed form of proxy by 5:00 p.m. (Vancouver time), two full business days before any adjourned or postponed meeting at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and he is under no obligation to accept or reject a late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.

Shareholders who do not hold their shares in their own name (referred to in this information circular as "**Beneficial Shareholders**") should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder's intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial**

Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners). The Company does not intend to pay for intermediaries to deliver these securityholder materials to OBOs and, as a result, OBOs will not be sent paper copies unless their intermediary assumes the costs.

Non-Objecting Beneficial Owners

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form ("**VIF**") from the Company's transfer agent, Endeavor Trust. These VIFs are to be completed and returned to Endeavor Trust in the envelope provided or by facsimile. In addition, Endeavor Trust provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Endeavor Trust will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Company or its agent has sent these proxy-related materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send these proxy-related materials to you directly, the Company (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

Objecting Beneficial Owners

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO. The Company does not intend to pay for intermediaries to deliver these securityholder materials to OBOs and, as a result, OBOs will not be sent paper copies unless their intermediary assumes the costs.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge. Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of the directors ("**Directors**") or officers ("**Officers**") of the Company, at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of

directors or the appointment of auditors. Directors and Officers may, however, be interested in the approval of the Compensation Plan as detailed in "*Stock Option Plans and Other Incentive Plans*" below, as such persons are entitled to participate in the Option Plan.

RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

A Shareholder of record at the close of business on June 22, 2022 (the "**Record Date**") who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting, or any adjournment thereof.

The Company's authorized capital consists of an unlimited number of common shares ("**Common Shares**") without par value. As at the Record Date, the Company has 113,367,783 Common Shares issued and outstanding, each share carrying the right to one vote.

Principal Holders of Voting Securities

To the best of knowledge of the directors and executive officers of the Company, as of the date of the Circular, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

FORWARD LOOKING INFORMATION

Certain statements in this Circular may constitute "forward-looking" statements involving known and unknown risks, uncertainties and other factors regarding the Company's and Latamark's intentions, beliefs, expectations and future results. This may cause the actual results, performance or achievements of each company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This forward-looking information also includes information regarding the financial condition and business of the Company and Latamark, as they exist at the date of this Circular and as they are expected to be after the Financing.

Forward-looking statements may include, but are not limited to, statements regarding Latamark's opportunities, strategies, competition, expected activities and expenditures as Latamark pursues its business plan, the adequacy of Latamark's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Circular contains forward-looking information concerning:

- Latamark's activities regarding the Esperanza Property;
- general market conditions;
- the availability of financing for proposed exploration programs on reasonable terms;
- the ability to contract outside service providers and the reliability of those outside service providers in delivering services in a satisfactory and timely manner;
- the use of Latamark's available funds;
- Latamark's expectations regarding expenses and anticipated cash needs;
- the regulatory and permitting process in Argentina;
- laws and any amendments thereto applicable to Latamark;
- the identity of the NEOs of Latamark and the expected compensation payable to them; and
- corporate governance matters, including the adoption of Board committee mandates, the membership of such committees and the adoption of various corporate policies

The forward-looking information is based on the beliefs, expectations and opinions of management of Latamark on the date the information is provided. Investors should not place undue reliance on forward-looking information.

In certain cases, forward-looking statements can be identified by the use of such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "seek", "project", "should", "strategy", "future", "consider" and other similar terminology. These statements reflect Latamark's current expectations regarding future events and operating performance and speak only as of the date of this Circular.

With respect to forward-looking statements and forward-looking information contained in this Circular, assumptions have been made regarding, among other things:

- future minerals prices;
- Latamark's ability to obtain qualified staff and equipment in a timely and cost–efficient manner;
- the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which Latamark conducts its business and any other jurisdictions in which Latamark may conduct its business in the future;
- future expenses and capital expenditures to be made by Latamark;
- future sources of funding for Latamark's business;
- the geology of the areas in which Latamark is conducting exploration and development activities;
- the intentions of the Board with respect to the executive compensation plans and corporate governance programs described herein;
- Latamark's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Circular, including:

- general economic, market and business conditions;
- uncertainties surrounding the local, national and global impact of the COVID-19 pandemic;
- uncertainties surrounding the regulatory framework being applied to the Esperanza Property and Latamark's ability to be, and remain, in compliance;
- volatility in market prices for mineral resources;
- potential conflicts of interest;
- risks related to the exploration for minerals;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- Latamark's status and stage of development;
- geological, technical, drilling and processing problems, including the availability of equipment and access to the Esperanza Property;
- risks related to the timing of completion of Latamark's work programs;
- competition for, among other things, capital and skilled personnel;
- operational hazards;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;
- risks inherent in the exploration for minerals which may create liabilities to Latamark in excess of Latamark's insurance coverage;
- the failure of Latamark to maintain its mineral properties in good standing;
- competing claims made in respect of Latamark's properties or assets;
- volatility in the market price of Latamark Shares; and
- the effect that the issuance of additional securities by Latamark could have on the market price of Latamark Shares.

Although the forward-looking statements contained in this Circular are based upon what management believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Circular and are expressly qualified in their entirety by this cautionary statement; and the Company disclaims any obligation to update any forward-looking statements, whether because of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

EXECUTIVE COMPENSATION

For the assistance of Shareholders, the following is a glossary of terms used frequently in this Circular:

"**Arrangement**" means the proposed arrangement under the BCBCA, among the Company and Latamark.

"**Arrangement Agreement**" means the arrangement agreement made as of June 16, 2022, between the Company and Latamark, a copy of which is set forth in Schedule E to this Circular, and any amendments made thereto.

"**Arrangement Resolution**" means the resolution, the full text of which is set forth in Schedule D to this Circular, to be considered, and if deemed advisable, passed, with or without variation, by the Shareholders at the Meeting.

"BCBCA" means the *Business Corporations Act* (British Columbia), S.B.C. 1996, c.57, as amended from time to time

"Board of Directors" or "Board" means the board of directors of the Company or Latamark, as applicable.

"**CEO**" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**Director**" means an individual who acted as a director of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-Based Payments*;

"**Company**" or "**Falcon Gold**" means Falcon Gold Corp.

"**Court**" means the Supreme Court of British Columbia.

"**Dissent Notice**" means a validly delivered written objection to the Arrangement Resolution, as described under "Rights of Dissent."

"**Dissenting Shareholder**" means a Shareholder who delivers a Dissent Notice and validly exercises the right of dissent provided with respect to the Arrangement, as described under "Rights of Dissent."

"**Effective Date**" means the date the Plan of Arrangement becomes effective.

"**Esperanza Property**" means ten mineral concessions covering an aggregate area of 10,303 hectares in the La Rioja province of Argentina, as further described in the Esperanza Property Technical Report.

"**Esperanza Property Technical Report**" means the technical report prepared in accordance with NI 43-101 by Daniel Rubiolo, Ph.D., P.Geo for Falcon Gold with an effective date of December 2, 2021.

"**Esperanza Option**" means the option to acquire an initial 80% interest and the option to acquire a further 20% interest for 100% total interest in the Esperanza Property pursuant to the terms of the Esperanza Option Agreement.

"**Esperanza Option Agreement**" means the agreement between Falcon Gold and the Optionors dated January 5, 2021 pursuant to which Falcon Gold is granted the Esperanza Option.

"**Esperanza Option Agreement Obligations**" means the exploration expenditures and other obligations required to exercise the Esperanza Option, which liabilities are to be transferred by Falcon Gold to Latamark pursuant to the Arrangement.

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange.

"Falcon Gold Shares" or "Common Shares" means common shares without par value in the capital of Falcon Gold.

"**Final Order**" means the final order of the Court approving the Arrangement.

"**Interim Order**" means the interim order of the Court providing, among other things, for the calling and holding of the Meeting, a copy of which is attached as Schedule F to this Circular.

"**Meeting**" means the annual general and special meeting of Shareholders to be held on August 10, 2022.

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as

determined in accordance with subsection 1.3(6) of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"), for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year; and

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Properties*.

"**Optionors**" means Esperanza Resources S.A. and Mr. Ivo Rojnica;

"**Plan of Arrangement**" means the plan of arrangement set out as Appendix A to the Arrangement Agreement which is attached as Schedule E to this Circular, and any amendments or variation thereto.

"**Latamark**" means Latamark Resources Corp., a wholly owned subsidiary of the Company.

"**Latamark Shares**" means the common shares without par value in the capital of Latamark.

"**Latamark Preferred Shares**" means the preferred shares in the capital of Latamark.

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

"**Optionors**" means Esperanza Resources S.A. and Mr. Ivo Rojnica.

"**Record Date**" means June 22, 2022.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investments funds across Canada, available at www.sedar.com.

"**Shareholders**" means holders of one or more Falcon Gold Shares.

"**Transfer Agent**" means Endeavor Trust Corporation.

Statement of Executive Compensation

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation, and sets forth compensation for each of the NEOs, named executive officers and directors of the Company.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, and each director, in any capacity, during the two most recently completed financial years ending June 30, 2020 and 2021:

Table of Compensation Excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Karim Rayani[(1)] *CEO and Director*	2021	108,000	Nil	Nil	Nil	Nil	108,000
	2020	71,000[(8)]	Nil	Nil	Nil	Nil	71,000
Geoff Balderson[(2)] *CFO*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	N/A	N/A	N/A	N/A	N/A	N/A

Table of Compensation Excluding Compensation Securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
James Farley(3) *Director and former interim CFO*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	10,000	Nil	Nil	Nil	Nil	10,000
John Bossio(4) *former Director*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	5,000	Nil	Nil	Nil	Nil	5,000
Brian Crawford(5) *former CFO and Director*	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	Nil	Nil	Nil	Nil	Nil
David Tafel(6) *former non-Executive Chairman and Director*	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Sandey Wang(7) *former CFO*	2021	5,000	Nil	Nil	Nil	Nil	5,000
	2020	N/A	N/A	N/A	N/A	N/A	N/A

(1) Karim Rayani was appointed as Chief Executive Officer and a director of the Company on June 30, 2019.

(2) Geoff Balderson was appointed as Chief Financial Officer of the Company on November 1, 2020.

(3) James Farley was appointed as interim Chief Financial Officer of the Company on January 6, 2020 and resigned effective May 13, 2020. Mr. Farley remains as a director of the Company.

(4) John Bossio was appointed as a director of the Company on January 6, 2020 and resigned effective January 14, 2022.

(5) Brian Crawford resigned as the Chief Financial Officer and as a director of the Company effective January 6, 2020.

(6) David Tafel resigned as a director effective March 30, 2020.

(7) Sandey Wang was appointed as Chief Financial Officer of the Company on October 8, 2020 and resigned effective November 1, 2020.

(8) Fee paid to R7 Capital Ventures Ltd., a company controlled by Karim Rayani.

Stock Options and other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and Director by the Company during the most recently completed financial years ended June 30, 2020 and 2021:

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant (mm/dd/yy)**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end[(1)] ($)**	**Expiry Date (mm/dd/yy)**
Karim Rayani *CEO and Director*	Stock Options	600,000	08/23/19	$0.05	$0.035	$0.125	08/23/24
		250,000	04/03/20	$0.05	$0.04	$0.125	04/03/25
		350,000	07/10/20	$0.125	$0.065	$0.125	07/10/23
		600,000[(2)]	09/16/20	$0.14	$0.145	$0.105	09/16/25
James Farley *Director*	Stock Options	200,000	08/23/19	$0.05	$0.035	$0.125	08/23/24
		250,000	04/03/20	$0.05	$0.04	$0.125	04/03/25
		175,000	07/10/20	$0.125	$0.065	$0.125	07/10/23
		300,000	09/16/20	$0.14	$0.145	$0.105	09/16/25
John Bossio *Director*	Stock Options	100,000	01/15/20	$0.05	$0.035	$0.125	01/15/23
		100,000	09/16/20	$0.14	$0.145	$0.105	09/16/25

(1) Year ended June 30, 2020 and 2021.

(2) Issued to R7 Capital Ventures Ltd., a company controlled by Karim Rayani

Exercise of Compensation Securities by Directors and NEOs

The following table discloses each exercise of compensation securities by NEOs and Directors during the most recently completed financial years ended June 30, 2020 and 2021:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	**Type of compensation security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Date of exercise**	**Closing price of security or underlying security on date of exercise ($)**	**Difference between exercise price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
John Bossio *Director*	Stock Options	100,000	0.05	06/29/20	0.125	0.075	12,500

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the "**Option Plan**") pursuant to which the Board may grant options (the "**Options**") to purchase Common Shares of the Company to NEOs, directors and employees of the Company or affiliated corporations and to consultants retained by the Company (collectively "**Eligible Persons**").

The purpose of the Option Plan is to attract, retain, and motivate NEOs, directors, employees and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company's growth. Under the Option Plan, the maximum number of Common Shares reserved for issuance,

including Options currently outstanding, is equal to ten (10%) percent of the Shares outstanding from time to time (the "**10% Maximum**"). The 10% Maximum is an "evergreen" provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Common Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

The number of Common Shares which may be the subject of Options on a yearly basis to any one person cannot exceed five (5%) percent of the number of issued and outstanding Shares at the time of the grant. Options may be granted to any employee, officer, director, consultant, affiliate or subsidiary of the Company exercisable at a price which is not less than the market price of common shares of the Company on the date of the grant. The directors of the Company may, by resolution, determine the time period during which any option may be exercised (the "**Exercise Period**"), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Common Shares may be listed. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee's employment, office or position as director, if terminated for just cause; (c) ninety (90) days (or such other period of time as permitted by any rule or regulation of such exchange on which the Common Shares may be listed) following the date of termination of an optionee's position as a director or NEO, if terminated for any reason other than the optionee's disability or death; (d) thirty (30) days following the date of termination of an optionee's position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee's disability, death, or just cause; and (e) the date of any sale, transfer or assignment of the Option.

Options are non-assignable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a NEO, director, employee, consultant, affiliate, or subsidiary of the Company, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Option Plan.

At this year's meeting, the Company intends to seek approval of the Shareholders to approve the adoption of a new security-based compensation plan (the "**Compensation Plan**") for directors, officers, employees, management company employees and consultants. Please refer to "Security Based Compensation Plan" below for further information.

There are presently 11,080,000 Options outstanding under the Option Plan, 5,280,000 of which are held directly and indirectly by NEOs or directors of the Company.

Employment, Consulting and Management Agreements

Service Contracts
The Company has not entered into written agreements with its Named Executive Officers and has no arrangements with its Named Executive Officers with respect to termination or change of control.

Pursuant to the terms of the Company's Stock Option Plan (see *Stock Option Plan* below), in the event of termination of a Named Executive Officer or director, for any reason, all options to purchase common shares then held by the Named Executive Officer or director will terminate on the earlier of the original expiry date(s) of such options and the 90th day following termination, provided however that the Board may extend the options to the earlier of the original expiry date(s) of such options and one (1) year from the date of termination. In the event of the death of a Named Executive Officer or director, options may be exercised up to one (1) year after the date of death by the lawful inheritors.

The Company's non-management Directors are entitled to receive compensation for acting as directors, or for providing extra services to the Company, in the form of stock options, bonuses or other compensation as the Board of Directors of the Company may determine from time to time. Directors of the Company are also entitled to reimbursement for any expenses incurred by them on behalf of the Company.

The Company has not entered into written agreements with its non-management directors and has no arrangements with the directors with respect to termination or change of control. The Directors do not receive benefits upon termination of their position as directors, other than pursuant to the terms of the Company's Stock Option Plan.

Other than disclosed above, the Company has no plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers, or any other director or officer of the Company in the Company's two most recently completed fiscal year or current fiscal year in respect of compensating such officers in the event of termination of employment as a result of resignation, retirement, a change of control of the Company, or a change in an individual's responsibilities.

Indemnity Agreements and Directors' and Officers' Liability Insurance
The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company, to the extent permitted by law, and has entered an Indemnity Agreement with its directors and NEOs. The Company purchases annual insurance coverage for directors' and officers' liability.

Oversight and Description of Director and NEO Compensation

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Elements of NEO Compensation

As discussed above, the Company provides an Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Compensation of Directors

Compensation of directors of the Company is reviewed annually by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of June 30, 2021:

Equity Compensation Plan Information			
Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)**
	(a)	(b)	(c)
Equity compensation plans approved by securityholders[(1)]	7,360,000	0.09	2,512,078
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTAL	7,360,000	0.09	2,512,078

(1) Represents the Option Plan of the Company, which reserves a number of common shares equal to 10% of the then outstanding common shares from time to time for issue pursuant to stock options. For further information on the Option Plan, refer to the heading "Approval of Stock Option Plan."

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102 none of:

(a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;

(b) the proposed nominees for election as a director of the Company; or

(c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a Director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial years ended June 30, 2020 and 2021 none of:

(a) the Informed Persons of the Company;

(b) the proposed nominees for election as a Director; or

(c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

APPOINTMENT OF AUDITOR

Manning Elliott LLP, Chartered Professional Accountants ("**Manning Elliott**") is the Company's auditor. Management is recommending the re-appointment of Manning Elliott as Auditor for the Company, to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board of Directors. Management recommends the appointment, and the persons named in the enclosed form of Proxy intend to vote in favour of such appointment.

MANAGEMENT CONTRACTS

Except as disclosed herein, the Company is not a party to a Management Contract whereby management functions are to any substantial degree performed other than by the directors or executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial years ended June 30, 2020 and 2021 (the "**Financial Statements**"), together with the auditor's reports thereon (the "**Auditor's Report**") will be presented to Shareholders at the Meeting, but no vote thereon is required. The Financial Statements, Auditor's Report and management's discussion and analysis (the "**MD&A**") for the financial years ended June 30, 2020 and 2021 are available under the Company's profile on SEDAR at www.sedar.com. The Notice of Meeting to Shareholders, this Circular, Request for Financial Statements and form of proxy will be available from Endeavor Trust, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, by fax to 604-559-8908, or the Company's head office located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6

Appointment and Remuneration of Auditor

Shareholders will be asked to approve the re-appointment of Manning Elliott as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing Manning Elliott as the Company's independent auditor for the ensuing year, and FOR authorizing the Board of Director to fix the auditor's pay.

Fixing the Number of Directors

The Board of Directors presently consists of three (3) directors and Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of fixing the number of directors for the ensuing year at three (3). Although Management is nominating three (3) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at three (3) for the ensuing year.

Election of Directors

Each Director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until their successor is duly elected or appointed, unless their office is earlier vacated in accordance with the Articles of the Company.

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at three (3). Although Management is nominating three (3) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

In the absence of instructions to the contrary, the Proxyholders intend to the vote the Common Shares represented by each Proxy, properly executed, FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

Information Concerning Nominees Submitted by Management

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular. Each of the nominees are currently directors of the Company.

Name, Province and Country of ordinary residence, and positions held with the Company(1)	**Principal occupation and, IF NOT an elected Director, principal occupation during the past five years(1)**	**Date(s) serving as a Director(2)**	**No. of shares beneficially owned or controlled**
Karim Rayani(3) British Columbia, Canada *CEO & Director*	For the past 15 years, Mr. Rayani has been focused on financing both domestic and international mineral exploration and development. Most recently, Mr. Rayani was head of Bloomberry Capital Group, a Vancouver based merchant bank and capital advisory firm. Prior to Bloomberry, he worked independently as a Management Consultant and Financier. He is currently Chair of R7 Capital Ventures Ltd; Director of Fiber Crowne Manufacturing Inc., Chair of District 1 Exploration Corp. Mr. Rayani has developed an extensive network of contacts throughout North America and Europe with a focus on Corporate Development and Finance.	Since June 30, 2019	8,479,500(4) Common Shares
James Farley(3) British Columbia, Canada *Director*	Mr. Farley is a business consultant for the mining and oil and gas industries, specializing in Health Safety and Environmental management. Formerly, Senior Environment, Health and Safety Specialist at NWR Partnership. He has been involved in the capital markets for over 25 years, initially as a financial advisor and subsequently as a private businessman and holds a Diploma from the British Columbia Institute of Technology.	Since May 2, 2013	3,636,400 Common Shares
Michelle Suzuki(3) Arizona, United States *Director*	Mrs. Suzuki has spent the last 25 years as an advisor with a focus in publishing and media relations. She has managed investor communication campaigns for Canadas largest digital content providers for hundreds of C-Suite clients throughout North America from life sciences, technology, and mining companies and presently works as an independent consultant advising on investor relations and corporate finance matters.	Since January 6, 2022	Nil

(1) The information as to ordinary residence, principal occupation and number of common shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

(2) The Company does not set expiry dates for the terms of office of Directors. Each Director holds office as long as he or she is elected annually by Shareholders at Annual General Meetings, unless his or her office is earlier vacated in accordance with the Articles of the Company.

(3) Member of Audit Committee.

(4) 5,418,500 common shares are held by R7 Capital Ventures Ltd., a company controlled by Karim Rayani.

The Company does not currently have an Executive Committee of its Board of Directors. Pursuant to National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), the Company is required to have an audit committee of its Board of Directors (the "**Audit Committee**"). As at the date of this Circular, the members of the Audit Committee are Karim Rayani, James Farley and Michelle Suzuki.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

To the best of knowledge of the Company, none of the proposed directors, including any personal holding company of a proposed director:

(a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

  (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or

  (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or

(b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;

(c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or

(e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Security-Based Compensation Plan

At the 2020 annual general meeting, the shareholders re-approved the Option Plan. In accordance with the policies of the Exchange, a plan with a rolling ten (10%) maximum must be confirmed by the Shareholders at each annual general meeting.

At this year's meeting, the Shareholders will be asked to approve the adoption of a new security-based compensation plan (the "**Compensation Plan**") for directors, officers, employees, management company employees and consultants. The Compensation Plan allows for the Company to implement a stock option plan ("**Option Plan**"), deferred share unit plan ("**DSU Plan**") and restricted share unit plan ("**RSU Plan**"), and/or any other security based compensation plan (together "**Listed Shares**") that is acceptable to the Exchange. If implemented by the Company, the Compensation Plan will replace the existing Option Plan.

The Compensation Plan is a hybrid plan (10%) percent rolling and fixed up to 10%, and the text of the Compensation Plan is attached to this Circular as Schedule C. Accordingly, Shareholders will be asked to pass an ordinary resolution approving the Company's Compensation Plan to accommodate the Exchange's policies governing security-based

compensation plans. The following is a summary of certain provisions of the Compensation Plan and is subject to, and qualified in its entirety by, the full text of the Compensation Plan:

(a) the maximum aggregate number of Listed Shares that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) must not exceed 10% of the Issued Shares of the Issuer at any point in time;

(b) the maximum aggregate number of Listed Shares issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) must not exceed 10% of the Issued Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider;

(c) the maximum aggregate number of Listed Shares issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person (and where permitted under this Policy, any Companies that are wholly owned by that Person) must not exceed 5% of the Issued Shares of the Issuer, calculated as at the date an any Security Based Compensation is granted or issued to the Person);

(d) the maximum aggregate number of Listed Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Consultant must not exceed 2% of the Issued Shares of the Issuer, calculated as at the date any Security Based Compensation is granted or issued to the Consultant;

(e) Investor Relations Service Providers may not receive any Security Based Compensation, other than Stock Options. Stock Options granted to Investor Relations Service Providers must vest in stages over a period of not less than 12 months in accordance with the vesting restrictions set out in the policies of the TSXV;

(f) Upon expiry of a Stock Option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Option Plan. All Options granted under the Option Plan may not have an expiry date exceeding ten (10) years from the date on which the Board grants and announces the granting of the Option;

(g) if a provision is included that the Participant's heirs or administrators are entitled to any portion of the outstanding Security Based Compensation, the period in which they can make such claim must not exceed one year from the Participant's death;

(h) any Security Based Compensation granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Security Based Compensation Plan;

(i) the exercise price for shares that are the subject of any Stock Option shall be determined and approved by the Board when such Stock Option is granted, but shall not be less than the Market Value (the volume weighted average trading price of the shares for the five trading days immediately preceding the date of grant) of such shares at the time of grant;

(j) subject to the rules and policies of the Exchange, the Board will determine any method or formulas for calculating prices, value or amounts under the Security Based Compensation Plan. The Security Based Compensation Plan does not include any Stock Appreciation Rights;

(k) vesting of Stock Options shall be at the discretion of the Board. Other than Stock Options, no Security Based Compensation granted or issued may vest before the date that is one year following the date of grant, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction; and

(l) Stock Options granted do not have any dividend entitlement.

The implementation of the Compensation Plan remains subject to the ratification of the shareholders of the Company and final approval of the TSXV.

The Compensation Plan Resolution

At the Meeting, Shareholders will be asked to pass the following Ordinary Resolution to approve the Compensation Plan (the "**Compensation Plan Resolution**"), substantially in the following form:

"**BE IT RESOLVED THAT as an ordinary resolution of the Company that:**

1. the Compensation Plan, in substantially the form as attached as Schedule C to the management information circular of the Company dated June 22, 2022, be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the Policies of the Exchange, as the directors of the Company may deem necessary or advisable;

2. all issued and outstanding stock options of the Company previously granted shall be continued under and governed by the Compensation Plan; and

3. the directors of the Company be authorized to perform all such other acts and things as may be necessary or desirable to effect the adoption of the Compensation Plan; and that the directors of the Company be authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by shareholders."

Management recommends that Shareholders approve the Compensation Plan Resolution. If the Compensation Plan Resolution is approved by Shareholders, the Directors will have the authority, in their sole discretion, to implement or revoke the Compensation Plan Resolution and otherwise implement or abandon the Compensation Plan.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the Compensation Plan Resolution.

THE ARRANGEMENT

Purpose of the Arrangement

The purpose of the Arrangement is to restructure the Company by spinning out its rights and obligations under the Esperanza Option Agreement to Latamark, with the ultimate goal of having Latamark become listed on a stock exchange. This will be effected by way of a court approved Plan of Arrangement. The specific steps are as follows:

1. the Company has obtained an Interim Order from the Court authorizing the calling of the Meeting for the purpose of seeking shareholders' approval to the Plan of Arrangement;

2. following shareholders having approved the Arrangement Resolution, the Company will seek a Final Order from the Court, authorizing implementation of the Plan of Arrangement; and

3. to implement the Arrangement Falcon Gold will exchange with Latamark free and clear of all Encumbrances, the 100 Latamark Preferred Shares it holds and transferring and assigning all of its right, title and interest in and to the Esperanza Option Agreement to Latamark for and in consideration of (i) Latamark assuming the Esperanza Option Agreement Obligations on such comparable terms as may be agreed by Latamark and the Optionors, (ii) Latamark issuing 5,000,000 Latamark Shares to Falcon Gold, and (iii) Latamark issuing to the Falcon Gold Shareholders one Latamark Share in exchange for every 5.8 Falcon Gold Shares held, pro-rata as to the number of Falcon Gold Shares held by each Falcon Gold Shareholder.

As a consequence of the Arrangement:

(a) Falcon Gold shall cease to hold any rights under the Esperanza Option Agreement;

(b) Latamark shall become the legal and beneficial holder of Falcon Gold's rights and interests pursuant to the Esperanza Option Agreement;

(c) Latamark will become responsible for satisfying the Esperanza Option Agreement Obligations; and

(d) the Falcon Gold Shareholders will become shareholders of Latamark on a pro-rata basis.

It is then anticipated that Latamark will subsequently complete a private placement to raise additional funds; and so be eligible to make application to list its common shares on the TSXV.

The Company believes this will be beneficial to the shareholders of the Company, as it is intended that (i) Latamark will continue to explore and develop the Esperanza Property, and Shareholders will continue to hold an interest therein; and (ii) the Company can then focus its exploration and development efforts on its remaining properties, and seek further mineral resource exploration and development opportunities.

Proposed Timetable for Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates as proposed are as follows:

Meeting:	August 10, 2022
Final Court Approval:	August 15, 2022
Effective Date:	September 15, 2022

The date of Final Court Approval and the Effective Date are anticipated dates. The Board of Directors will determine the Effective Date, based on its determination of when all conditions to the completion of the Arrangement are satisfied. Notice of the actual Effective Date will be given to Shareholders through a press release when all conditions to the Arrangement have been met and the Board of Directors is of the view that all elements of the Arrangement will be completed.

The foregoing dates may be amended at the discretion of the Company.

Assuming the Shareholders and the Court approve the Arrangement, the Board of Directors will still have discretion as to whether to complete the Arrangement. At the present time, the Board of Directors does not anticipate that this discretion will be exercised, and intends to complete the Arrangement. See "*The Arrangement – Amendment and Termination of the Arrangement Agreement*."

Fairness of Arrangement

The Arrangement was determined to be fair to the Shareholders by the Board of Directors, based upon, but not limited to, the following factors:

1. The Arrangement does not directly affect or prejudice Shareholders, as they will continue to hold the same pro-rata interest in Latamark (and thereby the Esperanza Option) as they hold in Falcon Gold; and any future involvement will involve Shareholders equally.
2. The Arrangement is a simple means of continuing the development of the Esperanza Property with a view to eventual exercise of the Esperanza Option while also enabling Falcon Gold to focus its exploration and development efforts on its other properties and to seek further mineral resource exploration and development opportunities.
3. The Arrangement must be approved by at least two-thirds of the votes cast at the Meeting by Shareholders.
4. The Arrangement must be approved by the Court which, the Company is advised, will consider, among other things, the fairness of the Arrangement to Shareholders (see "The Arrangement – Plan of Arrangement and Conditions to the Arrangement Becoming Effective").
5. The availability of rights of dissent to registered Shareholders with respect to the Arrangement.

Recommendations of Board of Directors

As set out above the Board of Directors has reviewed the terms and conditions of the Arrangement and concluded that the terms thereof are fair and reasonable to, and in the best interests of, the Shareholders. The Board of Directors has therefore authorized the submission of the Arrangement to the Shareholders and the submission of the Arrangement Agreement to the Court for approval; and recommends that Shareholders approve the Arrangement Resolution.

Plan of Arrangement and Conditions to the Arrangement Becoming Effective

The directors of each of the Company and Latamark have authorized the entering into, and each company has entered into, the Arrangement Agreement. A copy of the Arrangement Agreement is attached to this Circular as Schedule E and a copy of the Plan of Arrangement is attached as Appendix A to the Arrangement Agreement.

Pursuant to the Arrangement Agreement, the respective obligations of the Company and Latamark to complete the Arrangement are subject to the satisfaction of the following conditions, among other things:

1. The Arrangement must receive the approval of the Shareholders, as described under "Required Approvals – Shareholder Approval of Arrangement".
2. The Arrangement must be approved by the Court, as described under "Required Approvals – Court Approval of Arrangement".
3. The Company has received all necessary orders and rulings from the TSXV and any applicable securities commissions and regulatory authorities.
4. Latamark and the Optionors agreeing on how Latamark will satisfy the Falcon Gold Option Obligations on terms comparable to the original Esperanza Option Agreement.
5. All other consents, waivers, orders and approvals, including regulatory approvals and orders necessary for the completion of the Arrangement, have been obtained or received.
6. The Arrangement Agreement has not been terminated as provided for therein.

Management of the Company believes that all consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained prior to the Effective Date in the ordinary course.

Upon fulfillment of the foregoing conditions, the Board of Directors intends to take such steps and make such filings as may be necessary for the Arrangement to be implemented. The Effective Date will be the date set out in such filings.

Required Approvals

Shareholder Approval of Arrangement

Before the Arrangement can be implemented, the Arrangement Resolution, with or without variation, must be passed by at least two-thirds of the votes cast with respect thereto by Shareholders present at the Meeting either in person or by proxy. Each Falcon Gold Share carries the right to one vote. A copy of the Arrangement Resolution is attached as Schedule D to this Circular.

The Board of Directors has unanimously approved the Arrangement and recommends that Shareholders vote in favor of the Arrangement Resolution, and the persons named in the enclosed form of proxy intend to vote FOR such approval at the Meeting unless otherwise directed by the Shareholders appointing them.

At the present time the sole voting shareholder of Latamark is, and prior to implementation of the Arrangement the sole voting shareholder will continue to be, the Company, which has approved the Arrangement.

Court Approval of Arrangement

The BCBCA requires that the Company obtain court approval to proceed with the Arrangement. Prior to the mailing of this Circular, the Company obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters related thereto. A copy of the Interim Order and the Petition for the Final Order are attached to this Circular as Schedule F.

The hearing in respect of the Final Order is expected to take place before the Court shortly after the Meeting, subject to Shareholders' approval of the Arrangement at the Meeting. At this hearing, all Shareholders who wish to participate or be represented or present evidence or argument may do so, subject to filing a notice of appearance and satisfying other requirements. A Shareholder wishing to appear before the Court should seek legal advice.

The Court has broad discretion under the BCBCA when making orders in respect of the Arrangement and the Court will consider, among other things, the fairness and reasonableness of the Arrangement. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Amendment and Termination of the Arrangement Agreement

The Arrangement Agreement provides that it may be amended in a manner not materially prejudicial to the Shareholders by written agreement of the Company and Latamark before or after the Meeting, but prior to the Effective Date, without further notice to the Shareholders.

The Arrangement Agreement may, at any time before or after the holding of the Meeting but no later than the Effective Date, be terminated by the Board of Directors without further notice to, or action on the part of, Shareholders.

Failure to Complete Arrangement

In the event the Arrangement Resolution is not passed by Shareholders, the Court does not approve the Arrangement, or the Arrangement does not proceed for some other reason, the Esperanza Option and associated obligations and liabilities will remain with the Company and the Company will carry on business as it is currently carried on. In such event, Latamark will likely remain a dormant company.

Canadian Federal Income Tax Considerations

No opinion from legal counsel or ruling from the CRA has been requested, or will be obtained, regarding the federal income tax consequences of the Arrangement. Shareholders who are subject to Canadian taxation should consult with their own professional advisers with regard to the Arrangement's tax implications.

No U.S. Legal Opinion or IRS Ruling

No legal opinion from U.S. legal counsel or ruling from the United States Internal Revenue Service has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement. Shareholders who are subject to U.S. taxation should consult with their own professional advisers with regard to the Arrangement's U.S. tax implications.

PARTICULARS OF MATTERS TO BE ACTED ON

Approval of the Arrangement

The terms of the Arrangement and details regarding Latamark are outlined above.

At or promptly after the Effective Date, Latamark will deliver a treasury direction to the Transfer Agent for the benefit of the holders of Falcon Gold Shares who will receive Latamark Shares in connection with the Arrangement. After the Effective Time, the Transfer Agent shall deliver to each non-dissenting Shareholder, certificates for the Latamark Shares which such holder has the right to receive.

The Board believes that the Arrangement is in the best interests of the Company and the Shareholders as it is intended that:

(a) Latamark will continue to explore and develop the Esperanza Property in order to eventually exercise the Esperanza Option, and Shareholders will continue to hold an interest therein; and

(b) the Company can then focus its exploration and development efforts on its remaining properties and seek further mineral resource exploration and development opportunities,

and therefore unanimously recommends that Shareholders vote in favour of the Arrangement Resolution. See Schedule D to this Circular for the full text of the Arrangement Resolution.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE ARRANGEMENT RESOLUTION, UNLESS THE PERSON HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS VOTING SECURITIES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Notwithstanding the recommendation of the Board of Directors that Shareholders vote in favour of the Arrangement Resolution, Shareholders should make their own decision whether to vote their Shares in favour of the Arrangement Resolution and, if appropriate, should consult their own legal, tax, financial or other professional advisors in making that decision.

RIGHTS OF DISSENT

The following description of the rights of registered Shareholders to dissent and be paid fair value for their Common Shares is not a comprehensive statement of the procedures to be followed by a registered Shareholder and is qualified in its entirety by the reference to the full text of the Interim Order and Sections 237 to 247 of the BCBCA, copies of which are attached to this Circular as Schedules F and G, respectively. **A registered Shareholder who intends to exercise a right of dissent should carefully consider and comply with the provisions of Section 237 to 247 of the BCBCA, as modified by the Interim Order, and should seek independent legal advice.** Failure to comply with the provisions of those sections, as modified by the Interim Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder. The Court on hearing the application for the Final Order has the discretion to alter the rights of dissent described herein based on the evidence presented at such hearing.

A Shareholder who intends to exercise its right of dissent must deliver a written objection to the Arrangement Resolution (a "**Dissent Notice**") to the registered office of the Company at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, to be actually received by no later than 1:30 p.m. (Vancouver time) on the day preceding the date of the Meeting, and must not vote any Common Shares it holds in favour of the Arrangement Resolution. A Beneficial Shareholder who wishes to exercise its rights of dissent must arrange for the registered Shareholder holding its Common Shares to deliver the Dissent Notice. The Dissent Notice must contain all of the information specified in the Interim Order.

If the Arrangement Resolution is passed at the Meeting, the Company must send by registered mail to every Dissenting Shareholder, prior to the date set for the hearing of the Final Order, a notice (a "**Notice of Intention**") stating that, subject to receipt of the Final Order and satisfaction of the other conditions set out in the Arrangement Agreement, the Company intends to complete the Arrangement, and advising the Dissenting Shareholder that if the Dissenting Shareholder intends to proceed with its exercise of its rights of dissent it must deliver to the Company, within 14 days of the mailing of the Notice of Intention, a written statement containing the information specified by the Interim Order, together with the certificates representing the Common Shares it holds.

A Dissenting Shareholder delivering such a written statement may not withdraw from its dissent and, at the Effective Date, will be deemed to have transferred to the Company all of the Common Shares it holds. The Company will pay to each Dissenting Shareholder the amount agreed between the Company and the Dissenting Shareholder for its Common Shares. Either the Company or a Dissenting Shareholder may apply to the Court if no agreement on the terms of the sale of the Common Shares held by the Dissenting Shareholder has been reached and the Court may:

- determine the fair value that the Common Shares had immediately before the passing of the Arrangement Resolution, excluding any appreciation or depreciation in anticipation of the Arrangement unless exclusion would be inequitable, or order that such fair value be established by arbitration;

- join in the application each other Dissenting Shareholder which has not reached an agreement for the sale of its Common Shares to the Company; and

- make consequential orders and give directions it considers appropriate.

If a Dissenting Shareholder fails to strictly comply with the requirements of its rights of dissent set out in the Interim Order, it will lose such rights, the Company will return to the Dissenting Shareholder the certificates representing the Common Shares that were delivered to the Company, if any, and, if the Arrangement is completed, that

Dissenting Shareholder will be deemed to have participated in the Arrangement on the same terms as other Shareholders who did not exercise their rights of dissent.

If a Dissenting Shareholder strictly complies with the foregoing requirements but the Arrangement is not completed, then the Company will return to the Dissenting Shareholder the certificates delivered to the Company, if any, pursuant to its rights of dissent

INFORMATION CONCERNING THE COMPANY

Current information concerning the Company is available on SEDAR at *www.sedar.com*; and the Company hereby expressly incorporates by reference herein (i) its financial statements for the fiscal years ended June 30, 2020 and 2019; (ii) its management discussion and analysis of such financial statements (MD&A); and (iii) all news releases and material change reports filed in the 12 months prior to the date of this Circular. The Company is, and after completion of the Arrangement will continue to be, a junior natural resource issuer listed on the TSXV. After completion of the Arrangement the Company will continue to follow its current business model.

INFORMATION CONCERNING LATMARK

The following information is presented on a post-closing basis and is reflective of the projected business, financial and share capital position of Latamark. As Latamark has no history of operations, disclosure of the business and affairs of Latamark is limited in scope and content.

Corporate Structure

Name and Incorporation

Latamark Resources Corp. was formed under the BCBCA on July 23, 2021. Latamark will maintain the same registered and records office, corporate domicile, and principal place of business as that of Falcon Gold. Upon completion of the Arrangement, Latamark will be a reporting issuer. Latamark has no subsidiaries and holds no interest in any other companies or entities.

Narrative Description of the Business

Latamark will be a junior mineral exploration company, with its primary asset being the Esperanza Option. In connection with the minimum listing requirements of the TSXV, Latamark will need to undertake a private placement to raise funds to (i) make the exploration expenditures required to maintain the Esperanza Option Agreement in good standing and ultimately exercise the Esperanza Option, (ii) provide adequate working capital for 12 months, and (iii) ensure a sufficient amount of unallocated funds (the "**Financing**").

Description of the Esperanza Property and Esperanza Option Agreement

Summary of the Esperanza Property Technical Report

The following is a summary of the Esperanza Property Technical Report. The Esperanza Property consists of ten (10) mineral concessions covering an aggregate area of 10,303 hectares. The concessions are road accessible, located about 55km south-southeast of the town of Chepes within the Sierra de Las Minas district, La Rioja province of Argentina. The district is reported to host several past producing gold and silver mines. The city of San Juan is about 250km from Chepes by paved road to the west.

High-grade gold mineralization was reportedly first discovered at end of 19th century at the Callanas mining leases followed by limited mining conducted on a gold, silver, and copper zone. The Japanese agency, JICA (1993-1995) completed 872m of diamond drilling in the Callanas area. Two of the holes returned encouraging intercepts assaying 0.60m @ 24.30g/t Au, 61.10g/t Ag; and 0.55m @ 19.30g/t Au; 50.87g/t Ag. The Argentinean and Australian Geological Survey completed a regional aerial geophysical and metallogenic study (1995-1997). Several junior companies explored intermittently the area:

- Golden Peaks (1997-2003) developed an exploration program south of Esperanza property.

- Minera Hochschild Argentina (2006-2008) carried out an extensive exploration and drilled 1643m in 16 diamond drill holes in the district. One drill hole near Callanas VII returned 1.51m @ 9.28g/t Au inside Esperanza property.
- Malbex (2011-2013) continued prospecting the area and outlined more than 20 structural targets.
- Falcon Gold (2018-2019) signed an initial agreement with Esperanza Resources S.A. and carried out a discontinued preliminar prospection collecting 73 samples. Results revealed high grade gold mineralization up to 50.12g/t over 0.6m sheared-veins structures.

Sierra de las Minas is part of the Pampean Ranges. Basement is composed by Lower Paleozoic para-gneisses and migmatites intruded by Ordovician diorites and granitoids of the Chepes Igneous Complex. Carboniferous-Permian, and Cenozoic continental sedimentary rocks cover locally the basement units. A striking feature of the regional aeromagnetic imagery show north-south trending elongate granitoid bodies and non-magnetic slivers of shear zones. Mesothermal, quartz vein systems hosting Au, Cu, Ag, (U) mineralization occur widely throughout the Sierra de las Minas. These veins are emplaced on conjugated faults system and shear zones as a result of regionally ductile and brittle-ductile deformation. Veins are often distributed on conjugated NW-SE and NE-SW orientations and near vertical dips.

Veins are lenticular and discontinuous with an irregular thickness along strike for a few tens of meters. Mineralization is located in shoots zones of 20m length and approximately 0.50m width. Alteration is limited to 1m on schistose host rock at the contact with the veins. Alteration consists of silicification, sericite and chlorite. Pyrite is the most common sulphide accompanied by minor galena, chalcopyrite, arsenopyrite and occasionally sphalerite. Gangue is quartz. Visible gold is rare and is mainly associated with pyrite and hematite. Veins often exhibit erratic gold distribution ("nugget effect").

Compiling historic data resulted in selecting seven targets that merit immediate further detailed exploration in two phases: Phase 1 (USD$325,000) will include 1000m drilling, air magnetometry, stripping-trenching, and detailed mapping. It is aiming to test three primary NW-SE structural targets: Callanas West, Callanas East and 3rd Lineament and assessing Callana VII, La Brava, and Callana II. Should the results of the first phase produce favourable outcomes, then will advise continuing with Phase 2 (USD$588,500) for additional 2000m drilling to expand targets in Esperanza XIII and test new targets in E-2, E-8 and E-VI like San Isidro North, Licet, Valentina and Las Cañadas.

Summary of the Esperanza Property Option Agreement

Under the terms of the Esperanza Property Option Agreement, Falcon Gold has been granted the Esperanza Option by the Optionors. The Esperanza Option may be exercised by Falcon Gold issuing to the Optionors a total of 500,000 Falcon Gold Shares and 500,000 share purchase warrants (each a "**Falcon Gold Warrant**") over a period of four years. Each Falcon Gold Warrant entitles the Optionors to purchase one Falcon Gold Share for a period of 12 months at a purchase price set on each date of issue at 125% of the closing price for Falcon Gold Shares traded on the TSXV. During the four-year option period, Falcon Gold must also incur exploration expenditures on the Esperanza Property in an annual amount of at least USD$87,500 per year for a total of at least USD$350,000.

Upon satisfaction of these conditions, Falcon will acquire an 80% right, title and interest in and to the Esperanza Property and the Optionors will retain a 20% right, title and interest in and to the Esperanza Property. Upon exercise of the Esperanza Option, for a period of 30 months Falcon Gold has the right to purchase the Optionors' remaining 20% by issuing the Optionors an additional 2,000,000 Falcon Gold Shares, paying the Optionors USD$1,500,000 in cash and granting a 1% net smelter return royalty over the Esperanza Property in favor of the Optionors. As of June 22, 2022, pursuant to the terms of the Esperanza Option Agreement Falcon Gold has issued the Optionors 300,000 Falcon Gold Shares, 300,000 Falcon Gold Warrants.

Stated Business Objectives and Milestones

Latamark's immediate short-term objectives will be to:

(a) complete the Arrangement;
(b) complete a financing of sufficient size to meet TSXV listing requirements;
(c) obtain TSXV approval for listing of the Latamark Shares; and
(d) continue the work programs described in the Esperanza Property Technical Report and satisfy the requirements of the Esperanza Option Agreement, as agreed with the Optionors, necessary to exercise the Esperanza Option.

Financial Information

Latamark was incorporated on July 23, 2021, and has no history of operations. No financial statements have been prepared for Latamark.

Description of the Securities

The authorized capital of Latamark consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. The holders of Latamark Shares are entitled to dividends, if, as and when declared by the Latamark Board, to one vote per share at shareholder meetings, and upon liquidation, to share equally in such assets of as are distributable to the Shareholders. All Shares to be outstanding will be fully paid and non-assessable, and will not be subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a Shareholder to contribute additional capital.

The following table outlines the expected share capitalization of Latamark on completion of the Arrangement but prior to any financing:

Designation of Security	Amount Authorized	Number Outstanding as at the date of this Circular	Amount Outstanding after Completion of the Arrangement
Common Shares	Unlimited	100	24,546,170[1]
Preferred Shares	Unlimited	100	0

1. Includes 5,000,000 shares to Falcon Gold and 19,546,170 Latamark Shares to the Falcon Gold Shareholders. Prior to any subsequent Financing.

The quantity and nature of the securities to be issued to complete the necessary financing is unknown as of the date of this Circular.

Stock Option Plan

Latamark will eventually adopt a "rolling" stock option plan (the "**Stock Option Plan**") similar to that of Falcon Gold, whereby Latamark will be authorized to grant stock options of up to 10% of its issued and outstanding shares, from time to time (calculated at the time of any particular grant). The Stock Option Plan will provide incentives to qualified parties to increase their proprietary interest in Latamark and thereby encourage their continuing association with Latamark. The Stock Option Plan will be administered by the Board and will provide that options may be issued to directors, officers, employees or consultants of Latamark or any subsidiaries or affiliates of Latamark.

The Stock Option Plan will provide that (i) the terms of the options and the option price may be fixed by the Board subject to the price restrictions and other requirements of the TSXV; and (ii) no option may be granted to any person except upon the recommendation of the Board, and only directors, officers, employees, consultants and other key personnel of Latamark or any subsidiary may receive options. Options granted under the Stock Option Plan may not be exercisable for a period longer than ten years and the exercise price must be paid in full upon exercise of the option.

The Stock Option Plan will be subject to the additional following restrictions:

(a) options may not be granted to any one person in any 12-month period which could, when exercised, result in the issuance of common shares exceeding 5% of the issued and outstanding common shares of Latamark;

(b) options may not be granted to any one consultant in any 12-month period which could, when exercised, result in the issuance of common shares exceeding 2% of the issued and outstanding common shares of Latamark;

(c) options may not be granted in any 12-month period, to persons employed or engaged by Latamark to perform investor relations activities which could, when exercised, result in the issuance of common shares exceeding, in the aggregate, 2% of the issued and outstanding common shares of Latamark;

(d) if any option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of which the option expired or terminated shall again be available for the purposes of the Stock Option Plan;

(e) if an option holder dies, any vested option held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;

(f) if an option holder ceases to be a director, officer or employed by or provide services to Latamark, other than by reason of death, the options granted will expire on the 90th day following the date the option holder ceases to be affiliated with Latamark, subject to any regulatory requirements. If the option holder is engaged in investor relations activities, then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be employed or contracted by Latamark, subject to the terms and conditions set out in the Stock Option Plan;

(g) all options granted to consultants performing investor relations activities will vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period; and

(h) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all common shares under the Stock Option Plan in respect of options which have not yet been granted under the Stock Option Plan, subject to regulatory approval.

A four month hold period (commencing on the date the stock options are granted) is required for options granted to insiders of Latamark or granted at any discount to the Market Price (as defined in TSXV Policy 1.1). Notice of options granted under the Stock Option Plan must be given to the TSXV at the end of each calendar month in which stock options are granted. Any amendments to the Stock Option Plan must also be approved by the TSXV and, if necessary, by the shareholders of Latamark prior to becoming effective.

As of the date of this Circular, no Latamark options are outstanding.

Escrowed Securities

TSXV Policy requires that all Latamark Shares and warrants held by Principals of Latamark on Listing are to be subject to escrow restrictions such that 10% are released upon Listing and an additional 15% are released every six months thereafter over a period of 36 months.

Until their release from escrow, holders of Escrow Securities may not sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with the same except as permitted by the TSXV. TSXV permitted transfers or dealings within escrow include: (i) transfers to existing or, upon their appointment, incoming directors and senior officers of Latamark or of a material operating subsidiary; (ii) transfers to an RRSP or similar trustee plan; (iii) transfers upon bankruptcy to the trustee in bankruptcy or another person entitled to the Escrow Shares on bankruptcy; and (iv) pledges or mortgages to a financial institution as collateral for a loan.

Should Latamark at any time during the 36 months following the date of Listing become a Tier 1 issuer on the TSXV, the schedule for release of any remaining Escrow Securities will accelerate, such that Escrow Securities will be released as to 25% on the date of Listing, and an additional 25% every six months thereafter over 18 months, on a retroactive basis.

Principal Securityholders

It is not anticipated that any person will own of record or beneficially, directly or indirectly, or exercise control or discretion over, more than 10% of Latamark Shares following completion of the Arrangement, other than Falcon Gold which will hold 5,000,100 Latamark Shares (representing approximately 20.37% of the outstanding Latamark Shares prior to any Financing). See "*Forward-Looking Information*".

Available Funds and Principal Purposes

Latamark will have such amount of funds available to it as it will be successful in raising under one or more Financings. Available funds will be used toward undertaking work programs on the Esperanza Property, to cover general and administrative expenses for the next 12 months, and to cover costs of listing on the Exchange.

Notwithstanding the proposed uses of available funds outlined above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. For these reasons, management of Latamark considers it to be in the best interests of Latamark and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See "*Forward-Looking Information*".

Dividends

It is not contemplated that any dividends will be paid on Latamark's Shares in the immediate future following completion of the Arrangement, as it is anticipated that all available funds will be invested to finance the growth of Latamark's business. The Board will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on Latamark's financial position at the relevant time. All of Latamark's Shares are entitled to an equal share in any dividends declared and paid. See "*Forward-Looking Information*".

Directors, Officers and Promoters

The directors, officers and promoters of Latamark are as set out below:

Name and Municipality of Residence	Position or Office	Principal Occupation During Past Five Years	Number and Percentage of Latamark Shares Owned
Karim Rayani[2] *Vancouver, BC*	President, CEO and Director	Chief Executive Officer and Director of Falcon Gold Corp (TSXV) July 2019 to present. Chief Executive Officer and Director of Marvel Discovery Corp (TSXV) July 2020 to present. Chair of R7 Capital Ventures Ltd; and Chair of District 1 Exploration Corp.	Nil at present, 1,461,983 upon completion of Arrangement
Fraser Rieche *Vancouver, BC*	Director	Consultant-Special Projects (January 2006 to present) – Calkins & Burke Ltd.; Director – Solid Resources Ltd. (May – November 2006); Director Ialta Industries Ltd. (September – November 2007)	Nil at present, and nil upon completion of Arrangement

1. Based on 24,546,170 Latamark Shares following completion of Arrangement but prior to any subsequent Financing.
2. Audit Committee member of Latamark.

Each of Latamark's directors will be elected by the shareholders at an annual general meeting to serve until the next annual general meeting of shareholders or until a successor is elected or appointed.

Assuming completion of the Arrangement, the directors and officers of Latamark as a group will beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 1,461,983 Latamark Shares, representing approximately 5.95% of the then issued and outstanding Latamark Shares upon the Effective Date.

Management, Directors and Officers

The following is a description of the education and work experience of each of the directors and executive officers of Latamark:

Karim Rayani – President, CEO and director of Marvel Discovery Corp - July 2020 to present. Chief Executive Officer and Director of Falcon Gold Corp (TSXV: FG) - July 2019 to present. For the past 15 years, Mr. Rayani has been focused on financing both domestic and international mineral exploration and development. Most recently, Mr. Rayani was head of Bloomberry Capital Group, a Vancouver based merchant bank and capital advisory firm. Prior to Bloomberry, he worked independently as a Management Consultant and Financier. He is currently Chair of R7 Capital Ventures Ltd; and Chair of District 1 Exploration Corp.

Fraser Rieche – Director. Mr. Rieche has a BA in Economics and has 25 years experience in international project management, logistics planning and corporate finance having worked with resource-based industries and financial institutions worldwide. He has helped to develop and finance mining projects in both North America and South America along with energy projects, oil and gas projects, fisheries projects and forestry projects in many different areas of the world.

Promoter

No one person can be considered to be the promoter of Latamark.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of Latamark, none of its directors, officers or promoter, or a shareholder holding a sufficient number of securities to affect materially the control of Latamark is, or within ten years before the date of this Circular, has been, a director, officer, insider or promoter of any other issuer that while that person was acting in that capacity: was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days; or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of Latamark, no director, officer, promoter or control person of Latamark has:

(a) been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about the Proposed Transactions.

Personal Bankruptcies

To the knowledge of Latamark, no director, officer, promoter or control person of Latamark has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of Latamark holding positions as director or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of mineral properties, with a view to potential acquisition of interests therein on behalf of other companies, and situations may arise where a director or officer will be in direct competition with Latamark. Conflicts, if any, will be subject to the procedures and remedies under the BCBCA.

Executive Compensation

Latamark will not initially have a Compensation Committee. Executive compensation will be considered by the members of the Board to determine if it is competitive with similar mining companies and whether it recognizes and rewards executive

performance consistent with the success of Latamark's Business. These programs are intended to attract and retain capable and experienced people. It is Latamark's philosophy to ensure that compensation goals and objectives, as applied to actual compensation paid to Latamark's CEO and other executive officers, are aligned with Latamark's overall business objectives and with shareholder interests.

In addition to industry comparables, the Board will consider a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of Latamark and its shareholders, overall financial and operating performance of Latamark, and the assessment of each executive's individual performance and contribution toward meeting corporate objectives.

Due to the early stage of Latamark's business, it is anticipated that no management fees will be paid in the near future, but that fees for the CEO and CFO will be set and commence closer to the date Latamark is in a position to seek a listing on the Exchange.

Other than future management fees, and incentive stock options as granted from time to time if a stock option plan is subsequently implemented, no other executive compensation is expected to be paid, including bonuses, non-equity incentive plans, share based incentive plans, or pensions.

Compensation of Directors

Latamark intends to compensate directors through the issuance of stock options in accordance with the terms and conditions of its Stock Option Plan, once adopted, as and when directed by the board of directors. Additionally, Latamark may agree to pay the non-executive directors monthly fees. Directors will also be reimbursed for any expenses incurred by them on behalf of Latamark or in attending to Latamark business. Latamark may agree to pay the non-executive directors monthly fees. Directors will also be reimbursed for any expenses incurred by them on behalf of Latamark or in attending to Latamark business.

Indebtedness of Directors, Officers, Promoters and Other Management

No director, executive officer or promoter of Latamark is or has been indebted to Latamark since the date of its incorporation; nor will they be indebted to Latamark upon completion of the Transactions.

Investor Relations Arrangements

Following the Effective Date, Latamark expects to conduct investor relations internally.

Auditor, Transfer Agent and Registrar

Auditor

The auditor of Latamark will be the same as for Falcon Gold: Manning Elliott LLP, Chartered Professional Accountants, of 1700-1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

Transfer Agent and Registrar

Latamark's transfer agent and registrar will be the same as for Falcon Gold - Endeavor Trust Corporation, of 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

Legal Proceedings

As of the date of this Circular, there are no legal proceedings material to Latamark to which it is a party or of which either Property is the subject matter, nor are any such proceedings known to Latamark to be contemplated.

Risk Factors

Latamark's business, operating results and financial condition could be adversely affected by any of the risks outlined below. These risks and uncertainties are not the only ones facing Latamark. Additional risks and uncertainties not currently known to Latamark, or that Latamark currently deems immaterial, may also impair the operations of Latamark. If any such risks actually occur, the financial condition, liquidity and results of operations of Latamark could be materially adversely affected and the ability of Latamark to implement its growth plans could be adversely affected.

An investment in Latamark's Shares is speculative and will be subject to material risks; and investors should not invest in securities of Latamark unless they can afford to lose their entire investment.

General Risks Concerning the Securities of Latamark

High Risk, Speculative Nature of Investment

An investment in the Shares carries a high degree of risk and should be considered speculative by purchasers.

Public Market

An active trading market of Latamark's Shares may not develop or, if it does develop, may not be sustained. The lack of an active market may:

(i) impair shareholders' ability to sell their Shares at the time they wish to sell them or at a price that they consider reasonable;

(ii) reduce the fair market value and increase the volatility of the Shares; and

(iii) impair Latamark's ability to raise capital by selling Shares and to acquire other exploration properties or interests by issuing Shares as consideration.

Volatility of Share Prices

Share prices are subject to change because of numerous factors including reports of new information, changes in our financial situation, the sale of Shares in the market, failure to achieve financial results in line with the expectations of analysts, or announcements concerning results. There is no guarantee that the market price of the Shares will be protected from any such fluctuations in the future.

COVID-19 Outbreak

On March 11, 2020, the World Health Organization declared the outbreak of novel strain of coronavirus ("COVID-19") a global pandemic. In response to the outbreak, governmental authorities in Canada and other countries introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. To date, the COVID-19 outbreak and the response of governmental authorities to try to limit it have had a significant impact on the eSport industry, in that while public events and tournaments have ceased, the number of players and quantity of time playing eSports has increased. An expanded global spread of COVID-19 could have an adverse impact on Latamark's investments and financial results. The continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on Latamark's business, operations or financial results; however, the impact could be material.

General Risks Concerning the Business of Latamark

Limited History of Operations

Latamark has no history of mineral exploration and has no history of production, cash flow, revenue, or profitability. There are no known commercial quantities of mineral reserves on the Esperanza Property. There is no assurance that Latamark will ever discover any economic quantities of mineral reserves.

Requirement for Further Financing

Latamark will need to raise additional funds to meet Exchange listing requirements, and to carry out exploration activities on the Esperanza Property. Its ability to arrange such financings in the future will depend in part upon prevailing capital market conditions, as well as Latamark's business success. There is no assurance Latamark will be able to raise additional funds or will be able to raise additional funds on terms acceptable to it. Any equity financing undertaken by Latamark will be dilutive to the existing shareholders.

As Latamark has no source of operating revenue, the only sources of future funds presently available are the sale of equity capital, debt or offering of interests in the Esperanza Property to be earned by another party or parties by carrying out development work. There is no assurance that any such funds will be available to Latamark or be available on terms acceptable to it. If funds are available, there is no assurance that such funds will be sufficient to bring any property to commercial production. There is no assurance Latamark will be able to enter into any contract with a third

party for such party to conduct work on any property held by Latamark. Failure to obtain additional financing, or to enter into an option or joint venture agreement, on a timely basis could have a material adverse effect on Latamark, and could cause it to forfeit its interest in some or all of its properties and reduce or terminate its operations. If the exploration programs are successful and favorable exploration results are obtained, a Property may be developed into commercial production. Latamark will require significant additional funds to place any property into production.

Further Acquisitions

As part of its business strategy, Latamark may seek to grow by acquiring companies, assets or establishing joint ventures. Latamark may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. There is no guarantee that Latamark can complete any acquisition on favorable terms or that any acquisitions completed will ultimately benefit its business.

Exploration and Development

At present, the Esperanza Property is at the exploration stage and there are no bodies of ore, known or inferred, on any such properties. Mineral exploration and development involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that any mineral exploration activities will result in any discoveries of commercial bodies of ore on any property. The business of exploration for precious or base metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties.

Government permits will be required to carry out proposed exploration programs. These programs will require application for permits at various government levels and Latamark may be required to post security equivalent to the costs of any reclamation work which will be required after completion of the proposed exploration work. Further, licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should Latamark proceed beyond exploration. There can be no guarantee that any or all such licenses and permits will be obtained in a timely manner, or at all.

Supplies, Infrastructure, Weather and Inflation

The Esperanza Property is located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. Power may need to be generated on site. Bad weather can also disrupt exploration activities resulting in delays and added costs. Latamark can expect to experience difficulty in scheduling exploration activities such as drilling contracts, airborne geophysical surveys and other services that are key components of early stage exploration programs.

Reliability of Historical Information

The Esperanza Property Technical Report is based, in part, upon historical data compiled by previous parties involved with the Esperanza Property. To the extent that any of such historical data is inaccurate or incomplete, Latamark's exploration plans may be adversely affected.

Operating Hazards and Risks

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. Latamark may not carry any liability insurance for such risks, electing instead to ensure its contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or Latamark might not elect to insure against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon Latamark's financial conditions.

Title to Esperanza Property

While title to Esperanza Property has been reviewed through on-line government sources, there may be unregistered claims by third parties, including indigenous groups. Any successful third party claim would be detrimental to the interests of Latamark.

Management

Latamark's success is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on Latamark's business and prospects. There is no assurance that it can maintain the service of its management or other qualified personnel required to operate its business.

Environmental Risks and other Regulatory Requirements

Latamark's current or future operations, including the exploration activities and possible commencement of production on the Esperanza Property, will require permits from various levels of federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety, and other matters. There can be no assurance that all permits required for facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which Latamark might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Latamark may be required to compensate those suffering loss or damage by reason of Latamark's exploration and development activities and may have civil or criminal fines or penalties imposed upon it for violation of applicable laws or regulations.

Amendments to current laws, regulations, and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on Latamark and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

Industry Regulations

Latamark currently operates in a regulated industry. There can be no assurance that it may not be negatively affected by changes in federal, state or local legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

Uninsurable Risks

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and Latamark may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of Latamark. Latamark does not currently maintain insurance against environmental risks.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of the same. There can be no assurance that mineral prices will be such that the Esperanza Property can be mined at a profit. Factors beyond Latamark's control may affect the marketability of any minerals discovered.

Competition

Significant and increasing competition exists for mineral opportunities. There are a number of large established mineral exploration companies with substantial capabilities and greater financial and technical resources than Latamark. Latamark may be unable to acquire additional mineral properties or acquire such properties on terms considered acceptable.

Conflicts of Interest

Latamark's directors may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the BCBCA and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

No Cash Dividends are expected to be paid in the Foreseeable Future.

Latamark has not declared any cash dividends to date. Latamark intends to retain any future earnings to finance its business operations and any future growth. As such, Latamark does not anticipate declaring any cash dividends in the foreseeable future.

OTHER MATTERS

As of the date of this circular, management knows of no other matters to be acted upon at this Annual General and Special Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

AUDIT COMMITTEE DISCLOSURE

The Charter of the Company's audit committee and other information required to be disclosed by Form 52-110F2 is attached to the Information Circular as Schedule A.

CORPORATE GOVERNANCE DISCLOSURE

The information required to be disclosed by National Instrument 58-101 Disclosure of Corporate Governance Practices is attached to this Circular as Schedule B.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company to request copies of the Company's information circular, financial statements and MD&A, and any other public documents of the Company referred to herein, free of charge, by contacting Karim Rayani at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 or by telephone at 604-716-0551.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

DATED this 22nd day of June, 2022

BY ORDER OF THE BOARD OF DIRECTORS

FALCON GOLD CORP.

"Karim Rayani"

_____

Karim Rayani
CEO and Director

SCHEDULE A

FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE
(VENTURE ISSUERS)

Item 1: The Audit Committee Charter

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of the Company. The role of the Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

Duties and Responsibilities

External Auditor

(a) To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.

(b) To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

(c) To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.

(d) To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.

(e) To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.

(f) To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:

(i) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;

(ii) No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;

(iii) The Chief Financial Officer ("**CFO**") must approve all office hires from the external auditor; and

(iv) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.

(g) To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

(a) To review the Company's annual audited financial statements with the Chief Executive Officer ("**CEO**") and CFO and then the full Board. The Committee will review the interim financial statements with the CEO and CFO.

(b) To review and discuss with management and the external auditor, as appropriate:

(i) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and

(ii) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.

(c) To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.

(d) To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

(a) To review the internal audit staff functions, including:

(i) The purpose, authority and organizational reporting lines;

(ii) The annual audit plan, budget and staffing; and

(iii) The appointment and compensation of the controller, if any.

(b) To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.

(c) To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.

(d) To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.

(e) In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

Membership

(a) The Committee shall consist solely of three or more members of the Board, the majority of which the Board has determined has no material relationship with the Company and is otherwise "unrelated" or "independent" as required under applicable securities rules or applicable stock exchange rules.

(b) Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

(c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

(d) All members of the Committee must be "financially literate" (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

Procedures

(a) The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the "**Chair**"). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.

(b) The Chair will appoint a secretary (the "**Secretary**") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.

(c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum, and provided that a majority of the members must be "independent" or "unrelated".

(d) The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.

(e) The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.

(f) The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.

(g) The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.

(h) The Committee has the authority to communicate directly with the internal and external auditors.

Reports

The Committee shall produce the following reports and provide them to the Board:

(a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.

(b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

Item 2: Composition of the Audit Committee

National Instrument 52-110 Audit Committees, ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The current members of the Audit Committee are Karim Rayani, James Farley and Michelle Suzuki, two of whom are independent (James Farley and Michelle Suzuki) and all of whom are financially literate as defined by NI 52-110.

Item 3: Relevant Education and Experience

The Instrument provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

All members of the Audit Committee are considered financially literate and have been involved in enterprises which publicly report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

Karim Rayani - For the past 15 years, Mr. Rayani has been focused on financing both domestic and international mineral exploration and development. Most recently, Mr. Rayani was head of Bloomberry Capital Group, a Vancouver based merchant bank and capital advisory firm. Prior to Bloomberry, he worked independently as a Management Consultant and Financier. He is currently Chair of R7 Capital Ventures Ltd; Director of Fiber Crowne Manufacturing Inc., Chair of District 1 Exploration Corp. Mr. Rayani has developed an extensive network of contacts throughout North America and Europe with a focus on Corporate Development and Finance.

James Farley - Mr. Farley has been involved in the capital markets for over 25 years, initially as a financial advisor and subsequently as a private businessman. He is currently a business consultant for the mining and oil and gas industries, specializing in health and safety and environmental management.

Michelle Suzuki – Mrs. Suzuki has over 25 years of experience as an investor communications advisor for multiple publicly-listed companies and presently works as an independent consultant advising on investor relations and corporate finance matters.

Item 4: Audit Committee Oversight

At no time during the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, Manning Elliott LLP, Chartered Professional Accountants) not adopted by the Board.

Item 5: Reliance on Certain Exemptions

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (De Minimus Non-audit Services), subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), and any exemption, in whole or in part, in Part 8 (Exemptions).

Item 6: Pre-Approval Policies and Procedures

The Audit Committee has not adopted formal policies and procedures for the engagement of non-audit services. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

Item 7: External Auditor Service Fees (By Category)

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years are as follows:

	FYE 2021	FYE 2020
Audit Fees[(1)]	$39,091	$46,588
Audit-Related Fees[(2)]	Nil	Nil
Tax fees[(3)]	$5,722	$3,675
All Other Fees[(4)]	Nil	Nil
Total Fees:	$44,813	$50,263

1. "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last three fiscal years for audit fees.
2. "Audited related fees" include the aggregate fees billed in each of the last three fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. "Tax fees" include the aggregate fees billed in each of the last three fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
4. "All other fees" include the aggregate fees billed in each of the last three fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Item 8: Exemption

During the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

SCHEDULE B

FORM 58-101F2
CORPORATE GOVERNANCE DISCLOSURE
(VENTURE ISSUERS)

The board of directors (the "**Board**") of Falcon Gold Corp. (the "**Company**") believes that good corporate governance improves corporate performance and benefits all shareholders. Regulator authorities have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-10**1"), which prescribes certain disclosure by the Company of its corporate governance practices.

This disclosure is presented below:

Item 1: Board of Directors

Supervision Over Management

There is no specific written mandate of the Board, other than the corporate standard of care set out in the governing corporate legislation of the Company , i.e., the Board has overall responsibility for the management, or supervision of the management, of the business and affairs of the Company. The Board's primary tasks are to establish the policies, courses of action and goals of the Company and to monitor management's strategies and performance for realizing them.

All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Company's business are subject to approval by the full Board. The Board of Directors does not currently have in place programs for succession planning and training of directors and management. As the growth of the Company continues, the Board will consider implementing such programs. In order to carry out the foregoing responsibilities the Board meets on a quarterly basis and as required by circumstances.

Composition of the Board

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Karim Rayani, is the CEO of the Company and is therefore not "independent".

James Farley, a director of the Company, is "independent" in that he is free from any direct or indirect material relationship with the Company.

Michelle Suzuki, a director of the Company, is "independent" in that she is free from any direct or indirect material relationship with the Company.

A material relationship is a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

Item 2: Directorships

The current directors of the Company are currently directors of the following other reporting issuers:

Name of Director	**Name of Reporting Issuer**
Karim Rayani	Marvel Discovery Corp. (TSX-V)
	Latamark Resources Corp. (Reporting Issuer)
	Power One Resources Corp. (Reporting Issuer)
James Farley	Altiplano Metals Inc. (TSX-V)

Item 3: Orientation and Continuing Education

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

Item 4: Ethical Business Conduct

The Board has not adopted a formal code of ethics. In the Board's view, the fiduciary duties placed on individual directors by corporate legislation and the common law, and the restrictions placed by corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Although the Company has not adopted a formal code of ethics, the Company promotes an ethical business culture. Directors and officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity. Directors are also encouraged to consult with the Company's professional advisors with respect to any issues related to ethical business conduct.

Item 5: Nomination Of Directors

The identification of potential candidates for nomination as directors of the Company is primarily done by the CEO, but all directors are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

Item 6: Compensation

The compensation of directors and the CEO is determined by the Board as a whole. Such compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. See "Statement of Executive Compensation" for additional information.

Item 7: Other Board Committees

The Board does not have any standing committees other than the Audit Committee.

Item 8: Assessments

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.

SCHEDULE C

SECURITY-BASED COMPENSATION PLAN

FALCON GOLD CORP.

OMNIBUS INCENTIVE PLAN

Falcon Gold Corp. (the "**Company**") hereby establishes an omnibus incentive plan for certain qualified directors, executive officers, employees or Consultants of the Company or any of its Subsidiaries.

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

"**Account**" means an account maintained for each Participant on the books of the Company which will be credited with Awards in accordance with the terms of this Plan;

"**Affiliates**" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

"**Annual Base Compensation**" means an annual compensation amount payable to directors and executive officers, as established from time to time by the Board.

"**Award**" means any of an Option, DSU, or RSU granted to a Participant pursuant to the terms of the Plan;

"**Black-Out Period**" means a period of time when pursuant to any policies of the Company (including the Company's insider trading policy), any securities of the Company may not be traded by certain Persons designated by the Company as a result of the *bona fide* existence of undisclosed Material Information concerning the Company;

"**Board**" has the meaning ascribed thereto in Section 2.2(1) hereof;

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Vancouver, British Columbia for the transaction of banking business;

"**Cash Equivalent**" means the amount of money equal to the Market Value multiplied by the number of vested RSUs or DSUs, as applicable, in the Participant's Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date or the Filing Date, as applicable;

"**Cashless Exercise Right**" has the meaning ascribed thereto in Section 3.6(3) hereof; "**Cause**" has the

meaning ascribed thereto in Section 6.2(1) hereof;

"**Change of Control**" means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

(a) any transaction (other than a transaction described in clause (iii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires for the first time the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company's then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any such acquisition that occurs upon the

exercise or settlement of options or other securities granted by the Company under any of the Company's equity incentive plans;

(b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(c) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its wholly-owned Subsidiaries;

(d) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);

(e) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(f) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

"**Company**" means Falcon Gold Corp., a corporation existing under the Business Corporations Act of British Columbia, as amended from time to time;

"**Consultant**" means an individual (other than a director, officer or employee of the Company or of any of its subsidiaries) or company that: (a) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a Distribution; (b) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the Company, as the case may be; and (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries;

"**Consulting Agreement**" means, with respect to any Participant, any written consulting agreement between the Company or a Subsidiary and such Participant;

"**Discounted Market Price**" has the meaning set out in the applicable rules and policies of the Stock Exchange;

"**Dividend Equivalent**" means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant's Account;

"**DSU**" or "**Deferred Share Unit**" means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof upon Termination of Service, as provided in Article 5 and subject to the terms and conditions of this Plan;

"**DSU Agreement**" means a document evidencing the grant of DSUs and the terms and conditions thereof;

"**DSU Settlement Amount**" means the amount of Shares, Cash Equivalent, or combination thereof, calculated in accordance with Section 5.6, to be paid to settle a DSU Award after the Filing Date;

"**Eligibility Date**" the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Company by the insurance company providing such long-term disability benefits);

"**Eligible Participants**" means any director, executive officer, employee or Consultant of the Company or any of its Subsidiaries, but for the purposes of Article 5, this definition shall be limited to directors and executive officers of the Company or any of its Subsidiaries;

"**Employment Agreement**" means, with respect to any Participant, any written employment agreement between the Company or a Subsidiary and such Participant;

"**Exercise Notice**" means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Award, if applicable;

"**Filing Date**" has the meaning set out in Section 5.1 or Section 5.3(3), as applicable; "Full Value Award" means a DSU or an RSU;

"**Grant Agreement**" means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, an RSU Agreement, an Employment Agreement or a Consulting Agreement;

"**Incentive Stock Option**" or "**ISO**" means an Option that is granted to a U.S. Participant, as described in Section 3.8;

"**Insider**" has the meaning set out in the applicable rules and policies of the Stock Exchange;

"**Material Information**" has the meaning given to it in applicable Securities Laws and applicable rules and policies of the Stock Exchange;

"**Market Value**" means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on a Stock Exchange, the volume weighted average trading price of the Shares on such Stock Exchange for the five trading days immediately preceding the relevant time as it relates to an Award; or (ii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons, provided that in no case may the value be less than the Discounted Market Price;

"**Net Exercise**" has the meaning set out in the applicable rules and policies of the Stock Exchange;

"**Option**" means an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof, and includes an ISO;

"**Option Agreement**" means a document evidencing the grant of Options and the terms and conditions thereof;

"**Option Price**" has the meaning ascribed thereto in Section 3.2 hereof;

"**Option Term**" has the meaning ascribed thereto in Section 3.4 hereof;

"**Outstanding Issue**" means the number of Shares that are issued and outstanding, on a non-diluted basis;

"**Participants**" means Eligible Participants that are granted Awards under the Plan;

"**Performance Criteria**" means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award;

"**Performance Period**" means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

"**Person**" means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

"**Plan**" means this Falcon Gold Corp. Omnibus Incentive Plan, including any amendments or supplements hereto made after the effective date hereof;

"**Restriction Period**" means the period determined by the Board pursuant to Section 4.3 hereof;

"**RSU**" means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

"**RSU Agreement**" means a document evidencing the grant of RSUs and the terms and conditions thereof;

"**RSU Settlement Date**" has the meaning determined in Section 4.5(1);

"**RSU Vesting Determination Date**" has the meaning described thereto in Section 4.4 hereof;

"**Securities Laws**" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Company;

"**Security Based Compensation**" has the meaning set out in the applicable rules and policies of the Stock Exchange;

"**Shares**" means the common shares in the share capital of the Company;

"**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, Insiders, or Consultants of the Company or a Subsidiary including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Company or a Subsidiary by way of a loan, guarantee or otherwise provided, however, that any such arrangements that do not involve the issuance from treasury or potential issuance from treasury of Shares of the Company are not "Share Compensation Arrangements" for the purposes of this Plan;

"**Stock Exchange**" means the stock exchange on which the majority of the trading volume and value of the Shares occurs, at the applicable time;

"**Subsidiary**" means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

"**Tax Act**" means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

"**Termination**" means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by, or otherwise have a service relationship with, the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

"**Termination Date**" means (i) in the event of a Participant's resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Company or one of its Subsidiaries and (ii) in the event of the termination of the Participant's employment, or position as director, executive or officer of the Company or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or the Subsidiary, as the case may be, and, for greater certainty, without regard to any period

of notice, pay in lieu of notice, or severance that may follow the Termination Date pursuant to the terms of the Participant's employment or services agreement (if any), the applicable employment standards legislation or the common law (if applicable), and regardless of whether the Termination was lawful or unlawful, except as may otherwise be required to meet minimum standards prescribed by the applicable standards legislation;

"**Termination of Service**" means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by the Company or has ceased providing ongoing services as a Consultant to the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

"**Trading Session**" means a trading session on a day which the applicable Stock Exchange is open for trading;

"**TSXV**" means the TSX Venture Exchange;

"**TSXV Share Limits**" means: (i) the maximum number of Shares issuable to any one Participant under Awards or pursuant to any other Share Compensation Arrangement in a 12-month period shall not exceed 5% of the Outstanding Issue (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of Shares issuable to any one Consultant or pursuant to any other Share Compensation Arrangement in a 12-month period shall not exceed 2% of the Outstanding Issue; and (iii) Investor Relations Services Providers (within the meaning of the policies of the TSXV) may only be granted Options under an Award (and for greater certainty, may not be granted or receive any other form of Security Based Compensation other than Options) and the maximum number of Shares issuable to all Investor Relations Services Providers under any Options awarded or pursuant to any other Share Compensation Arrangement shall not exceed 2% of the Outstanding Issue in any 12-month period, in each case measured as of the date of grant of an Award;

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"**U.S. Participant**" means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from United States income taxation under the relevant provisions of the U.S. Tax Code or the Canada-U.S. Income Tax Convention, as amended;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended; and

"**U.S. Tax Code**" means the United States Internal Revenue Code of 1986, as amended; and "Vested Awards" has the meaning described thereto in Section 6.2(5) hereof.

Section 1.2 Interpretation.

(1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion of the Board.

(2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.

(3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.

(4) The words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation". As used herein, the expressions "Article", "Section" and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.

(5) Unless otherwise specified in the Participant's Grant Agreement, all references to money amounts are to Canadian currency.

(6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant's estate or will.

(7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

ARTICLE 2
PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

Section 2.1 Purpose of the Plan.

The purpose of the Plan is to permit the Company to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

(a) to increase the interest in the Company's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary;

(b) to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities;

(c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and

(d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

Section 2.2 Implementation and Administration of the Plan.

(1) The Plan shall be administered and interpreted by the board of directors of the Company (the "**Board**") or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.

(2) Subject to Article 7 and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.

(3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Company, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Company, its Subsidiaries and all Eligible Participants.

(4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or and any Person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.

(5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Company. For greater clarity, the Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

Section 2.3 Participation in this Plan.

(1) The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.

(2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.

(3) The Board may also require that any Eligible Participant in the Plan provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable laws, including, without limitation, exemptions from the registration requirements of the U.S. Securities Act, and applicable U.S. state securities laws.

(4) In connection with an Award to be granted to any Eligible Participant, it shall be the responsibility of such person and the Company to confirm that such person is a bona fide Eligible Participant for the purposes of participation under the Plan.

Section 2.4 Shares Subject to the Plan.

(1) Subject to adjustment pursuant to Article 7 hereof, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.

(2) The maximum number of Shares issuable at any time pursuant to outstanding Awards under this Plan shall be equal to the following:

(a) 10% of the Outstanding Issue issued pursuant to Options, as measured as at the date of any Option grant (the "**Rolling 10% Options**"); and

(b) 11,301,778 pursuant to all Share Compensation Arrangements, other than in connection with the grant of Options under the Plan;

(3) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.

(4) For greater certainty, the Rolling 10% Options component of the Plan is "evergreen". Shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

Section 2.5 Limits with Respect to other Share Compensation Arrangements, Insiders, Individual Limits, and Annual Grant Limits.

(1) The maximum number of Shares issuable pursuant to this Plan and any other Share Compensation Arrangement shall not exceed the limits set out in Section 2.4(2).

(2) The maximum number of Shares issuable to Eligible Participants who are Insiders, at any time, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.

(3) The maximum number of Shares issued to Eligible Participants who are Insiders, within any one year period, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue as at the date any Shares are issued or Awards are granted.

(4) Subject to the policies of the Stock Exchange, any Security Based Compensation issued or granted pursuant to the Plan, or any Security Based Compensation issued under any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be included for the purposes of the limits set out in Section 2.5(2) and Section 2.5(3).

(5) The TSXV Share Limits shall apply to the Shares issued or issuable under any Award granted under the Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the TSX Venture Exchange.

Section 2.6 Granting of Awards.

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

Section 2.7 TSX Venture Exchange Vesting Restrictions

While the Shares are listed for trading on the TSX Venture Exchange:

(a) no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction; and

(b) any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange.

ARTICLE 3
OPTIONS

Section 3.1 Nature of Options.

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

Section 3.2 Option Awards.

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the "**Option Price**") and the relevant vesting provisions (including Performance Criteria, if applicable) and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of a Stock Exchange.

Section 3.3 Option Price.

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

Section 3.4 Option Term.

(1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten years from the date the Option is granted ("**Option Term**").

(2) Should the expiration date for any Option granted pursuant to this Plan fall within a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan, provided:

(a) the Black-Out Period is formally imposed by the Company pursuant to its internal trading policies as a result of the *bona fide* existence of undisclosed Material Information and expires upon the general disclosure of such Material Information (for greater certainty, in the absence of the Company formally imposing a Black-Out Period, the expiry date of any impacted Option will not be automatically extended); and

(b) neither the Participant granted the Option nor the Company are subject to a cease trade order (or similar order under Securities Laws) in respect of the Company's securities.

Section 3.5 Exercise of Options.

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with any insider trading policies implemented by the Company.

Section 3.6 Method of Exercise and Payment of Purchase Price.

(1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the Corporate Secretary of the Company (or the individual that the Corporate Secretary of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, or bank draft of the purchase price for the number of Shares specified therein and, if required by Section 8.2, the amount necessary to satisfy any taxes.

(2) Upon the exercise, the Company shall, as soon as practicable after such exercise but no later than ten Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:

(a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or

(b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.

(3) **Section 3.7 Option Agreements.**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement may contain any such terms that the Company considers necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 3.8 Incentive Stock Options.

(1) ISOs are available only for Participants who are employees of the Company, or a "parent corporation" or "subsidiary corporation" (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted, and, not withstanding this Section 3.8, may only be granted in accordance with any applicable Securities Laws and regulations and policies of the TSXV. In addition, a Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as provided in this Section 3.8(1). A Participant's employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three months, or the Participant's return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if

the termination is due to death, the ISO status may continue for the balance of the Option's term. Nothing in this Section 3.8(1) will be deemed to extend the original expiry date of an Option.

(2) A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the U.S. Tax Code, Shares possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an Option that is an ISO unless the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(3) To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable Option Agreement.

ARTICLE 4
RESTRICTED SHARE UNITS

Section 4.1 Nature of RSUs.

A "Restricted Share Unit" (or "**RSU**") is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Participant to acquire Shares as determined by the Board or to receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria. Unless otherwise determined by the Board in its discretion, the Award of an RSU is considered a bonus for services rendered in the calendar year in which the Award is made.

Section 4.2 RSU Awards.

(1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such RSUs, (provided, however, that no such Restriction Period shall exceed the 3 years referenced in Section 4.3) and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.

(2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each vested RSU awarded to a Participant shall entitle the Participant to receive one Share, the Cash Equivalent or a combination thereof upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the Restriction Period. For greater certainty, RSUs that are subject to Performance Criteria may not become fully vested by the last day of the Restricted Period.

Section 4.3 Restriction Period.

The applicable restriction period in respect of a particular RSU shall be determined by the Board but in all cases shall end no earlier than the date that is one year following the date it is granted or issued and no later than the 31st of December of the calendar year which commences three years after the calendar year in which the performance of services for which such RSU is granted, occurred, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction (the "**Restriction Period**"). All unvested RSUs

shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.4) and, in any event: (i) all unvested RSUs shall be cancelled no later than the last day of the Restriction Period.

Section 4.4 RSU Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no earlier than the date that is one year following the date the RSU is granted or later than the 15th of December of the calendar year which commences three years after the calendar year in which the performance of services for which such RSU is granted, occurred. Notwithstanding the foregoing, for any U.S. Participant, the RSU Vesting Determination Date shall occur no earlier than the date that is one year following the date the RSU is granted or later than March 15 of the calendar year following the end of the Performance Period.

Section 4.5 Settlement of RSUs.

(1) Except as otherwise provided in the RSU Agreement, all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten Business Days following their RSU Vesting Determination Date and no later than the end of the Restriction Period (the "**RSU Settlement Date**").

(2) Settlement of RSUs shall take place promptly following the RSU Settlement Date and no later than the end of the Restriction Period, and shall take the form determined by the Board, in its sole discretion. Settlement of RSUs shall be subject to Section 8.2 and shall take place through:

(a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;

(b) in the case of settlement of RSUs for Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board):

(i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or

(ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or

(c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

(3) Notwithstanding the foregoing, for any U.S. Participant, the RSU Settlement Date and delivery of Shares or Cash Equivalent, if any, shall each occur no later than March 15 of the calendar year following the end of the Performance Period.

Section 4.6 Determination of Amounts.

(1) For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account to settle in cash.

(2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account to settle in Shares.

Section 4.7 RSU Agreements.

RSUs shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement may contain any such terms that the Company considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 4.8 Award of Dividend Equivalents.

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Company's account.

ARTICLE 5
DEFERRED SHARE UNITS

Section 5.1 Nature of DSUs.

A Deferred Share Unit is an Award attributable to a Participant's duties as a director or executive officer of the Company or a Subsidiary and that, upon settlement, entitles the recipient Participant to receive such number of Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board, provided that any trustee or administrative agent so appointed is deemed to be independent pursuant to the policies of the TSXV) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

Section 5.2 DSU Awards.

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSU Awards under the Plan, and (ii) fix the number of DSU Awards to be granted to each Eligible Participant and the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement. Each DSU awarded shall entitle the Participant to one Share, or the Cash Equivalent, or a combination thereof. For greater certainty, in no case may any DSU vest before the date that is one year following the date such DSU is granted, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.

Section 5.3 Payment of Annual Base Compensation.

(1) Subject to the terms of this Agreement, including without limitation the requirements set out in Sections 2.4 and 2.5, each Participant may elect to receive in DSUs any portion or all of their Annual Base Compensation by completing and delivering a written election to the Company on or before the 15th day of November of

the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.

(2) Further, where an individual becomes a Participant for the first time during a fiscal year and, for individuals that are U.S. Participants, such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A of the U.S. Tax Code, such individual may elect to defer Annual Base Compensation with respect to fiscal quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than thirty days after the later of the Plan's adoption or such individual's appointment as a Participant. For greater certainty, new Participants will not be entitled to receive DSUs for any Annual Base Compensation earned pursuant to an election for the quarter in which they submit their first election to the Company or any previous quarter.

(3) All DSUs granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable (the "**Grant Date**").

(4) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Value of the Shares. Fractional Deferred Share Units will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Section 5.4 Additional Deferred Share Units.

In addition to DSUs granted pursuant to Section 5.3 and subject to the terms of this Agreement, including without limitation the requirements set out in Sections 2.4 and 2.5, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services they render to the Company. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. An award of DSUs pursuant to this Section 5.4 shall be subject to a DSU Agreement evidencing the Award and the terms applicable thereto.

Section 5.5 Settlement of DSUs.

(1) A Participant may receive their Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon Termination of Service, by filing a redemption notice on or before the 15th day of December of the first calendar year commencing after the date of the Participant's Termination of Service. Notwithstanding the foregoing, if any Participant does not file such notice on or before that 15th day of December, the Participant will be deemed to have filed the redemption notice on 15th day of December (the date of the filing or deemed filing of the redemption notice, the "**Filing Date**"). In all cases for each U.S. Participant, the U.S. Participant will be deemed to have filed the redemption notice on the date of their Termination of Service.

(2) The Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the end of the first calendar year commencing after the Participant's Termination of Service. In all cases for each U.S. Participant, the Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the 1st day of March of the calendar year following Termination of Service.

(3) In the event of the death of a Participant, the Company will, subject to Section 8.2, make payment of the DSU Settlement Amount within two months of the Participant's death to or for the benefit of the legal representative of the deceased Participant. For the purposes of the calculation of the Settlement Amount, the Filing Date shall be the date of the Participant's death.

(4) Subject to the terms of the DSU Award Agreement, including the satisfaction or, at the discretion of the Board, waiver of any vesting conditions, settlement of DSUs shall take place promptly following the Filing

Date, and take the form as determined by the Board, in its sole discretion. Settlement of DSUs shall be subject to Section 8.2 and shall take place through:

(a) in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;

(b) in the case of settlement of DSUs for Shares:

(i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or

(ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or

(c) in the case of settlement of the DSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

Section 5.6 Determination of DSU Settlement Amount.

(1) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 5.5 such calculation will be made on the Filing Date based on the Market Value on the Filing Date multiplied by the number of vested DSUs in the Participant's Account to settle in cash.

(2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of DSUs pursuant to Section 5.5, such calculation will be made on the Filing Date based on the whole number of Shares equal to the whole number of vested DSUs then recorded in the Participant's Account to settle in Shares.

Section 5.7 DSU Agreements.

DSUs shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement may contain any such terms that the Company considers necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 5.8 Award of Dividend Equivalents.

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date.

ARTICLE 6
GENERAL CONDITIONS

Section 6.1 General Conditions Applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

(1) **Vesting Period**. Each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. Subject to any vesting requirements imposed by the TSXV, which may be accelerated only with prior written approval of the TSXV, the Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.

(2) **Employment**. Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Company or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.

(3) **Grant of Awards**. Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Company or any Subsidiary.

(4) **Rights as a Shareholder**. Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Subject to Section 4.8 and Section 5.8, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.

(5) **Conformity to Plan**. In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.

(6) **Non-Transferrable Awards**. Each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

(7) **Participant's Entitlement**. Subject to the prior approval of the TSXV, except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Company ceasing to be a Subsidiary of the Company, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Company and not of the Company itself, whether or not then exercisable, shall automatically terminate on the date of such change.

Section 6.2 General Conditions Applicable to Options.

Each Option shall be subject to the following conditions:

(1) **Termination for Cause**. Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For

the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. "**Cause**" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination.

(2) **Termination not for Cause**. Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of 90 days after the Termination Date, or the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.

(3) **Resignation**. Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation and (ii) unless otherwise determined by the Board, in its sole discretion, each vested Option granted to such Participant will cease to be exercisable on the earlier of the 30 days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.

(4) **Permanent Disability/Retirement**. Upon a Participant ceasing to be an Eligible Participant by reason of retirement (in accordance with any retirement policy implemented by the Company from time to time) or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the 90 days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Company or any Subsidiary by reason of permanent disability, and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.

(5) **Death**. Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the "**Vested Awards**") on the date of such Participant's death. Such Vested Awards shall only be exercisable within 12 months after the Participant's death or prior to the expiration of the original term of the Options whichever occurs earlier.

Section 6.3 General Conditions Applicable to RSUs.

Each RSU shall be subject to the following conditions:

(1) **Expiration Period**. Upon a Participant ceasing to be an Eligible Participant, any RSUs granted to such Participant pursuant to this Plan will terminate or otherwise expire in accordance with this Section 6.3 but, for greater certainty, in all cases any such RSUs will expire no later than 12 months following the date the Participant ceases to be an Eligible Participant.

(2) **Termination for Cause and Resignation**. Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Company or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled RSUs that have not vested.

(3) **Death or Termination**. Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant ceasing to be an Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination for reasons other than for Cause, (iv) his or her employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term

disability benefits, all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall be terminated, and the Participant shall not receive any payment in lieu of cancelled RSUs.

(4) **General**. For greater certainty, where a Participant's employment or service relationship with the Company or a Subsidiary is terminated pursuant to Section 6.3(1) or Section 6.3(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

ARTICLE 7
ADJUSTMENTS AND AMENDMENTS

Section 7.1 Adjustment to Shares.

In the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, or (iv) any distribution to all holders of Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or Shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Company or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

(a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;

(b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award; or

(c) adjustments to the number or kind of Shares reserved for issuance pursuant to the Plan.

Section 7.2 Change of Control.

(1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, subject to Section 7.3, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control, provided that in all cases the Plan and/or the Awards remains compliant with applicable Securities Laws and policies of the TSXV.

(2) If the Company completes a transaction constituting a Change of Control and within 12 months following the Change of Control a Participant dies or ceases to be an eligible Participant under the Plan in connection with the Change of Control, then all unvested RSUs granted to such Participant shall immediately vest and shall be paid out, and all unvested Options shall vest and become exercisable. Any Options that become exercisable pursuant to this Section 7.2(2) shall remain open for exercise until the earlier of their expiry date as set out in the Award Agreement and the date that is 90 days after such termination or dismissal.

(3) Notwithstanding any other provision of this Plan, this Section 7.2 shall not apply with respect to any DSUs held by a Participant where such DSUs are governed under paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

(4) Notwithstanding any other provision of this Plan, for all U.S. Participants, "Change of Control" as defined herein shall be as "Change in Control" is defined in 409A of the U.S. Tax Code.

Section 7.3 Amendment or Discontinuance of the Plan.

(1) The Board may suspend or terminate the Plan at any time. Notwithstanding the foregoing, any suspension or termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

(2) Subject to Sections 7.3(3) and any other applicable regulatory, Securities Laws or TSXV requirements at the time of such amendment, the Board may from time to time, in its discretion and without approval of the shareholders of the Company amend any provision of this Plan or any Award, including, without limitation:

(i) any amendment to the general vesting provisions, if applicable, of the Plan or of the Awards;

(ii) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body;

(iii) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan; and

(iv) any amendment regarding the administration of the Plan.

(3) Notwithstanding Section 7.3(2):

(a) no such amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;

(b) the Board shall be required to obtain shareholder and TSXV approval for such amendments as prescribed by the regulations and policies of the TSXV, including but not limited to the following:

(i) any amendment regarding the effect of termination of a Participant's employment or engagement;

(ii) any amendment which accelerates the date on which any Option may be exercised under the Plan;

(iii) persons eligible to be granted or issued Security Based Compensation under the Plan;

(iv) the maximum number or percentage, as the case may be, of Shares that may be issuable under the Plan;

(v) the limits under the Plan on the amount of Security Based Compensation that may be granted or issued to any one person or any category of persons;

(vi) the method for determining the exercise price of Options;

(vii) the maximum term of Security Based Compensation granted or awarded under this Plan;

(viii) the expiry and termination provisions applicable to Security Based Compensation, including the addition of a Black-Out Period;

(ix) the addition of a Net Exercise provision;

(x) any method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to a Participant; and

(xi) any amendment to the amendment provisions of the Plan.

(c) the Board shall be required to obtain disinterested shareholder approval for such amendments as prescribed by the regulations and policies of the TSXV, including but not limited to the following:

(i) any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Participant is an Insider of the Company at the time of the proposed amendment;

(ii) any amendment which extends the expiry date of any Award, or the Restriction Period, or the Performance Period of any RSU beyond the original expiry date or Restriction Period or Performance Period, that benefits an Insider of the Company;

(iii) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7; and

(4) Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

Section 7.4 TSX Venture Exchange Approval of Adjustments

While the Shares are listed for trading on the TSX Venture Exchange, any adjustment, other than in connection with a subdivision of the Shares into a greater number of Shares pursuant to Section 7.1(a) or a consolidation of Shares into a lesser number of Shares pursuant to Section 7.1(b), to any Award pursuant to the provisions hereof is subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan, including for the purposes of making secondary market purchases of Shares for delivery on settlement of an Award, if applicable, and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion, provided that any trustee or administrative agent so appointed is deemed to be independent pursuant to the regulations and policies of the TSXV. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 8.2 Tax Withholding.

(1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Company determines, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 8.1 hereof, on behalf of and as agent for the Participant as soon as permissible and

practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Company as appropriate.

(2) Notwithstanding Section 8.2(1), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

Section 8.3 US Tax Compliance.

(1) DSU Awards granted to U.S. Participants are intended to be comply with, and Option and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A of the U.S. Tax Code and related regulations ("**Section 409A**"). Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.

(2) For purposes of interpreting and applying the provisions of any DSU or other Award to subject to Section 409A, the term "termination of employment" or similar phrase will be interpreted to mean a "separation from service," as defined under Section 409A, provided, however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then "termination of employment" will be interpreted to only include a complete termination of the employment relationship.

(3) If payment under any DSU or other Award subject to Section 409A is in connection with the U.S. Participant's separation from service, and at the time of the separation from service the Participant is subject to the U.S. Tax Code and is considered a "specified employee" (within the meaning of Section 409A), then any payment that would otherwise be payable during the six-month period following the separation from service will be delayed until after the expiration of the six-month period, to the extent necessary to avoid taxes and penalties under Section 409A, provided that any amounts that would have been paid during the six-month period may be paid in a single lump sum on the first day of the seventh month following the separation from service.

Section 8.4 Clawback.

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including and any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 8.4.

Section 8.5 Securities Law Compliance.

(1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Company's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.

(2) No Awards shall be granted in the United States and no Shares shall be issued in the United States pursuant to any such Awards unless such Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States, and any Shares issued pursuant thereto, will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing Awards granted in the United States or Shares issued in the United States pursuant to such Awards pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:

THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

(3) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.

(4) The Company shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

(5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Company to issue such Shares shall terminate and any funds paid to the Company in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

Section 8.6 Reorganization of the Company.

The existence of any Awards shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 8.7 Quotation of Shares.

So long as the Shares are listed on one or more Stock Exchanges, the Company must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

Section 8.8 No Fractional Shares.

No fractional Shares shall be issued upon the exercise or vesting of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of such Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive, as the case may be, the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 8.9 Governing Laws.

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Section 8.10 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

Section 8.11 Effective Date of the Plan

The Plan was adopted by the Board on June 16, 2022 and approved by the shareholders of the Company on August 10, 2022, and shall take effect upon receipt of final approval of the TSXV.

SCHEDULE D

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE FALCON SHAREHOLDERS THAT:

1. The arrangement (the "**Arrangement**") under section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving Falcon Gold Corp. ("**Falcon Gold**") and Latamark Resources Corp. ("**Latamark**"), all as more particularly described and set forth in the Management Information Circular (the "**Circular**") of Falcon Gold dated June 22, 2022 (as the Arrangement may be modified, supplemented or amended), is hereby authorized, approved and adopted.

2. The plan of arrangement, as it may be or has been amended (the "**Plan of Arrangement**"), involving Falcon Gold and Latamark, and implementing the Arrangement, the full text of which is set out in Schedule E to the Circular (as the Plan of Arrangement may be, or may have been, modified, supplemented or amended), is hereby approved and adopted.

3. The arrangement agreement between Falcon Gold and Latamark dated June 16, 2022 (the "**Arrangement Agreement**"), the actions of the directors of Falcon Gold in approving the Arrangement, and the actions of the officers of Falcon Gold in executing and delivering the Arrangement Agreement and any amendments thereto, are hereby ratified and approved.

4. Falcon Gold is authorized to apply for a final order from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be, or may have been, amended, modified or supplemented and as described in the Circular).

5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Shareholders of Falcon Gold or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Falcon Gold are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Falcon Gold:

    (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or

    (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

6. Any director or officer of Falcon Gold is hereby authorized and directed for and on behalf of Falcon Gold to execute, whether under corporate seal of Falcon Gold or otherwise, and to deliver such documents as are necessary or desirable to give effect to the Arrangement.

7. Any director or officer of Falcon Gold is hereby authorized, for and on behalf and in the name of Falcon Gold , to execute and deliver, whether under corporate seal of Falcon Gold or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

    (a) all actions required to be taken by or on behalf of Falcon Gold, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

    (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Falcon Gold,

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE E

ARRANGEMENT AGREEMENT AND PLAN OF ARRANGEMENT

See attached.

ARRANGEMENT AGREEMENT

THIS AGREEMENT is made effective as of June 16, 2022 (the "**Effective Date**").

AMONG:

FALCON GOLD CORP., a company incorporated under the laws of British Columbia

("**Falcon Gold**")

AND:

LATAMARK RESOURCES CORP., a company incorporated under the laws of British Columbia

("**Latamark**")

(each a "**Party**" and collectively the "**Parties**")

WHEREAS:

A. this Agreement sets out the terms and conditions upon which Falcon Gold agrees to surrender the Latamark Preferred Shares (as defined herein) and transfer to Latamark all of Falcon Gold's right, title and interest in and to the Esperanza Option Agreement (as defined herein) in exchange for shares in the capital of Latamark being issued to Falcon Gold and the shareholders of Falcon Gold; and

B. the Parties intend that such transaction be carried out under the arrangement provisions of Part 9, Division 5 of the *Business Corporations Act* (British Columbia).

NOW THEREFORE, in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Purpose of Agreement

This Agreement replaces and supersedes all prior agreements, understandings and arrangements among the Parties in their entirety; and contemplates the surrender of the Latamark Preferred Shares and transfer by Falcon Gold of all of its right, title and interest in and to the Esperanza Option Agreement to Latamark and the issuance by Latamark of shares in the capital of Latamark to Falcon Gold and the Falcon Gold shareholders (pro-rata as to their current shareholdings in Falcon Gold).

1.2 Definitions

In addition to the terms defined elsewhere in this Agreement, including the recitals hereto, the following terms shall have the following meanings:

(a) "**Agreement**" means this Agreement including all Appendices, and all amendments made to this Agreement and any Appendices by written agreement between the Parties;

(b) "**Closing**" has the meaning ascribed thereto in Section 4.1;

(c) "**Closing Date**" means the date upon which Closing occurs;

(d) "**Distributed Securities**" means, collectively, the 5,000,000 Latamark Shares and the Latamark Shares issued on a pro rata basis to Falcon Gold Shareholders pursuant to the terms of this Agreement;

(e) "**Encumbrance**" means any encumbrance, lien, charge, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, restriction, reservation, option, pre-emptive right or privilege of any nature or kind whatsoever or any contract to create any of the foregoing;

(f) "**Esperanza Option Agreement**" means Falcon Gold's rights, title and interest in and to the option agreement dated January 5, 2021 between Falcon Gold and the Optionors;

(g) "**Esperanza Option Agreement Obligations**" means Falcon Gold's obligations and liabilities under the Esperanza Option Agreement;

(h) "**Governmental Authority**" means any domestic or foreign government whether federal, provincial, state or municipal and any branch or department thereof or any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatsoever;

(i) "**Latmark Shares**" means common shares without par value in the capital of Latamark;

(j) "**Latamark Preferred Shares**" means the 100 preferred shares in the capital of Latamark held by Falcon Gold;

(k) "**Optionors**" means Esperanza Resources S.A. and Mr. Ivo Rojnica;

(l) **"Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, however, designated or constituted;

(m) "**Plan of Arrangement**" means the plan of arrangement, substantially in the form of 0, subject to any amendments or variations to such plan made in accordance with Section 7.6. or made at the direction of the Court in the Final Order with the prior written consent of the Parties, each acting reasonably; and

(n) "**TSXV**" means the TSX Venture Exchange

1.3 Gender and Number

This Agreement shall be read with all changes in number and gender required by the context.

1.4 Headings and Table of Contents

The inclusion of headings in this Agreement is for convenience only and shall not affect the construction or interpretation hereof.

1.5 Monetary Reference

All monetary references herein pertain to Canadian dollars unless otherwise stated.

1.6 Appendices

0 – Plan of Arrangement

Appendix "B" – Arrangement Resolution

2. ARRANGEMENT

2.1 Plan of Arrangement

The Parties agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement. Without limitation to the foregoing, at the Effective Time, the Plan of Arrangement shall become effective with the result that among other things, Latamark will become the holder of all of Falcon Gold's rights, title and interest in the Esperanza Option Agreement and the Falcon Gold Shareholders will become shareholders of Latamark.

Subject to satisfaction or waiver of all conditions precedent, Falcon Gold hereby agrees to exchange with Latamark, free and clear of all Encumbrances, the Latamark Preferred Shares and transfer and assign all of its right, title and interest in and to the Esperanza Option Agreement to Latamark for and in consideration of (i) Latamark assuming all of the Esperanza Option Agreement Obligations on such comprable terms as Latamark and the Optionors may agree, (ii) Latamark issuing 5,000,000 Latamark Shares to Falcon Gold, and (iii) Latamark issuing to the Falcon Gold Shareholders one Latamark Share in exchange for every 5.8 Falcon Gold Shares held, pro-rata as to the number of Falcon Gold Shares held by each Falcon Gold Shareholder (the "**Latamark Shares**").

2.2 Interim Order

As soon as reasonably practicable following the execution of this Agreement, Falcon Gold will apply to the Court, pursuant to Part 9, Division 5 of the BCBCA and, in cooperation with Latamark, prepare, file and diligently pursue an application for the Interim Order, which shall provide, among other things:

(a) that the required minimum level of approval (the "**Required Approval**") for the Arrangement Resolution shall be at least two-thirds of the votes cast at a duly held Falcon Gold Meeting;

(b) for the establishment of a record date to determine Falcon Gold Shareholders who may vote on the Arrangement Resolution;

(c) for the grant of the Dissent Rights to Falcon Gold Shareholders; and

(d) for such other matters as the Parties may reasonably require.

2.3 Arrangement Resolution

Subject to the terms of this Agreement, Falcon Gold shall convene and conduct the Falcon Gold Meeting in accordance with the Interim Order, as soon as reasonably practicable, for the purpose of considering the Arrangement Resolution.

2.4 Final Order

Falcon Gold shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to the BCBCA, as soon as reasonably practicable.

2.5 Distribution to Falcon Gold Shareholders

Latamark will engage the same register and transfer agent as is presently engaged by Falcon Gold (the "**Transfer Agent**"). Latamark and Falcon Gold will coordinate with the Transfer Agent to (i) set a record date for purposes of determining those Falcon Gold Shareholders entitled to receive Latamark Shares, and (ii) printing and mailing out the Latamark Shares to the Falcon Gold Shareholders.

3. CONDITIONS OF CLOSING

3.1 Conditions of Closing

The obligations of the Parties under this Agreement are subject to (i) receipt of all regulatory and contractual consents and approvals, including those of the TSXV (if applicable), (ii) the Optionors and Latamark agreeing on how Latamark will satisfy the Falcon Gold Option Obligations on terms comparable to the original Esperanza Option Agreement (iii) receipt of the Interim Order and the Final Order, and (iv) receipt of the Required Approval from the Falcon Gold Shareholders.

4. CLOSING ARRANGEMENTS

4.1 Closing

The closing of the Arrangement (the "**Closing**") will take place as expeditiously as possible following satisfaction or waiver of all conditions precedent at a time and place or in a manner agreed by the parties.

4.2 Closing Transactions

At Closing, the following transactions will occur:

(a) Falcon Gold will surrender to Latamark the Latamark Preferred Shares free and clear of all Encumbrances;

(b) Falcon Gold will deliver, transfer and assign to Latamark (i) all of its interests in the Esperanza Option Agreement; and (ii) the Esperanza Option Agreement Obligations; and

(c) Latamark will issue and deliver, through the Transfer Agent, share certificates representing the Latamark Shares, to Falcon Gold and the Falcon Gold Shareholders.

5. JOINT DISCLOSURE

5.1 Press Releases

From time to time Falcon Gold may issue press releases and otherwise publicly disclose the existence of this Agreement, its terms and conditions and the transactions contemplated hereby as may be required by applicable law, regulations, by-laws or policy statements of governmental and other regulatory authorities, including the TSXV.

6. TERMINATION

6.1 Termination

This Agreement may be terminated by written notice given by the terminating Party to the other Party hereto, at any time prior to the Closing by mutual written consent of each Party.

7. GENERAL PROVISIONS

7.1 Notice

Any notice, demand or communication required or permitted to be given under this Agreement shall be in writing and delivered by pre-paid mail, delivery or electronic mail transmission, to the Party to which it is to be given as follows or, if the Party to which it is to be delivered has changed their email address given below, to such email address as the other Party customarily communicates with the receiving Party at the time of the notice, demand or communication being sent:

If to Falcon Gold:

Attention: Karim Rayani
110 – 175 Victory Ship Way
North Vancouver, British Columbia
V7L 0B2

e-mail: k@r7.capital

If to Latamark:

Attention: Diana Alvarez
2200 HSBC Building
885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

e-mail: diana@r7.capital

or to such other address as a Party may specify by notice given in accordance with this section. Any such notice, request, demand or communication given shall be deemed to have been given, in the case of delivery by hand, when delivered; in the case of mail, five Business Days following the date of mailing; and in the case of delivery or email, on the first Business Day following the date of transmission.

7.2 Further Assurances

Each of the Parties shall execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.

7.3 Entire Agreement

This Agreement constitutes the entire agreement between the Parties pertaining to the Arrangement and supersedes all prior agreements, undertakings, negotiations and discussions whether oral or written, of the Parties, and there are no warranties, representations, covenants or agreements between the Parties except as set forth herein.

7.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of British Columbia and the Parties to this Agreement submit and attorn to the exclusive jurisdiction of the courts of British Columbia.

7.5 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision thereof.

7.6 Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided. This Agreement may be amended by the parties hereto in such manner as they may mutually determine and without further notice to Falcon Gold Shareholders (provided such amendment is not materially prejudicial to the Falcon Gold Shareholders) before or after the Interim Order, the Falcon Gold Meeting, or the Final Order.

7.7 Enurement

This Agreement shall enure to the benefit of and shall be binding upon the Parties hereto and their respective successors and permitted assigns**.**

7.8 Counterparts

This Agreement may be executed in counterparts and in electronic form, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[*Signature Page Follows*]

IN WITNESS WHEREOF this Agreement has been executed effective the date first above written.

FALCON GOLD CORP.

Per: */s/ "Karim Rayani"*
Authorized Signatory

LATAMARK RESOURCES CORP.

Per: */s/ "Fraser Rieche"*
Authorized Signatory

APPENDIX A

PLAN OF ARRANGEMENT

INVOLVING

FALCON GOLD CORP.

and

LATAMARK RESOURCES CORP.

UNDER THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set forth below:

(a) "**Arrangement**" means the arrangement involving the parties to the Arrangement Agreement under the provisions of Division 5 of Part 9 of the BCBCA on the terms and conditions set forth herein, subject to any amendments, supplements, or variations thereto or made at the direction of the Court in the Final Order with the consent of Falcon Gold and Latamark, each acting reasonably;

(b) "**Arrangement Agreement**" means the agreement dated June 16, 2022 between Latamark and Falcon Gold to which this Plan of Arrangement is attached as Schedule A, as it may be amended, supplemented or otherwise modified from time to time;

(c) "**Arrangement Resolution**" means the special resolution of the Falcon Gold Shareholders approving the Plan of Arrangement, to be considered and, if deemed advisable, passed with or without variation, by the Falcon Gold Shareholders at the Falcon Gold Meeting or by consent resolution by a special majority of the Falcon Gold Shareholders; substantially in the form as set out in Schedule B to the Arrangement Agreement;

(d) "**BCBCA**" means the *Business Corporations Act*, SBC 2002, c 57, as it may be amended from time to time;

(e) "**Business Day**" means any day, other than a Saturday, a Sunday or a day on which the principal chartered banks located in Vancouver, British Columbia are closed for business during normal banking hours;

(f) "**Court**" means the Supreme Court of British Columbia;

(g) "**Dissent Procedures**" has the meaning ascribed thereto in subsection 3.1(2) hereof;

(h) "**Dissent Rights**" has the meaning ascribed thereto in subsection 3.1(1) hereof;

(i) "**Dissent Share**" has the meaning ascribed thereto in subsection 3.1(3) hereof;

(j) "**Dissenting Falcon Gold Shareholder**" has the meaning ascribed thereto in subsection 3.1(3) hereof;

(k) "**Distributed Securities**" means, collectively, the 5,000,000 Latamark Shares and the Latamark Shares issued on a pro rata basis to Falcon Gold Shareholders pursuant to the terms of this Agreement;

(l) "**Effective Date**" means the second Business Day after the date on which the Parties confirm in writing (such confirmation not to be unreasonably withheld or delayed) that all conditions to the completion of the Plan of Arrangement have been satisfied or waived in accordance with Section 3.1 of the Arrangement Agreement and all documents and instruments required under the Arrangement Agreement, the Plan of Arrangement and the Final Order have been delivered;

(m) "**Effective Time**" means 12:01 a.m. on the Effective Date;

(n) "**Eligible Dividend**" has the meaning ascribed thereto in subsection 89(1) of the Tax Act;

(o) "**Encumbrance**" means any encumbrance, lien, charge, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, restriction, reservation, option, pre-emptive right or privilege of any nature or kind whatsoever or any contract to create any of the foregoing;

(p) "**Esperanza Option Agreement**" means the option agreement dated January 5, 2021 between Falcon Gold and the Optionors;

(q) "**Esperanza Option Agreement Obligations**" mean those obligations owed by Falcon Gold and incurred pursuant to the Esperanza Option Agreement, which obligations and liabilities are to be transferred by Falcon Gold to Latamark and assumed by Latamark pursuant to the Arrangement;

(r) "**Fair Value**" of a Dissent Share means the fair value thereof at the close of business on the day before the day on which the Falcon Gold Meeting is held, determined in accordance with subsection 3.1(5) hereof;

(s) "**Final Order**" means the order made after Falcon Gold's application to the Court pursuant to section 291 of the BCBCA, in a form acceptable to Falcon Gold and Latamark, each acting reasonably, after a hearing upon the fairness of the terms and conditions of the Arrangement, approving the Arrangement as such order may be affirmed, amended, or modified by the Court (with the consent of both Falcon Gold and Latamark, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both Falcon Gold and Latamark, each acting reasonably) on appeal;

(t) "**Falcon Gold**" means Falcon Gold Corp., a reporting issuer in each of British Columbia, Alberta and Ontario;

(u) "**Falcon Gold Meeting**" means the special meeting or consent resolution of the Falcon Gold Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called and held, or consented to, in accordance with the Interim Order to consider the Arrangement Resolution;

(v) "**Falcon Gold Shareholder**" means a holder of one or more Falcon Gold Shares;

(w) "**Falcon Gold Shares**" means the common shares in the capital of Falcon Gold;

(x) "**Interim Order**" means the interim order of the Court concerning the Arrangement under Section 291 of the BCBCA, containing declarations and directions with respect to the Arrangement and providing for, among other things, the calling and holding of the Falcon Gold Meeting, as such order may be affirmed, amended, or modified by the Court with the consent of Falcon Gold and Latamark, each acting reasonably;

(y) "**Latamark**" means Latamark Resources Corp., a corporation existing pursuant to the laws of British Columbia, being a wholly owned subsidiary of Falcon Gold;

(z) "**Latamark Shares**" mean the common shares in the capital of Latamark;

(aa) "**Optionors**" means Esperanza Resources S.A. and Mr. Ivo Rojnica;

(bb) "**Parties**" means Falcon Gold and Latamark; and "**Party**" means either one of them as the context requires;

(cc) "**Plan of Arrangement**", "**hereof**", "**herein**", "**hereunder**" and similar expressions means this plan of arrangement, including the appendices hereto, and all amendments, variations and supplements hereto made in accordance with the terms hereof and the Arrangement Agreement, or at the direction of the Court in the Final Order; and

(dd) "**Tax Act**" means the *Income Tax Act* (Canada); and

1.2 Other Definitions

All other capitalized words or phrases not defined herein have the meanings ascribed thereto in the Arrangement Agreement.

1.3 Date of Any Action

If a date on which an action is required to be taken hereunder by a Party is not a Business Day, the action shall be required to be taken on the next day which is a Business Day.

1.4 Time

Time shall be of the essence for every matter or action contemplated hereunder. All times expressed herein are local time in Vancouver, British Columbia unless otherwise stipulated.

1.5 Statutory References

Unless otherwise expressly provided herein, a reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes the statute or regulations.

2. THE ARRANGEMENT

2.1 Effectiveness

Subject to the terms of the Arrangement Agreement, the Arrangement will become effective at the Effective Time and thereupon be binding on each of: (i) Falcon Gold, (ii) Latamark, and (iii) the Falcon Gold Shareholders.

2.2 The Arrangement

Commencing at the Effective Time and without any further act or formality: (i) the events and transactions set out in Subsection 2.2(a) below will occur and be deemed to occur sequentially with each event or transaction occurring and being deemed to occur immediately after the immediately preceding event or transaction, (ii) immediately thereafter the events and transactions set out in Subsection 2.2(b) will occur and deemed to occur simultaneously:

(a) each Falcon Gold Shareholder who is a Dissenting Falcon Gold Shareholder at the Effective Time shall dispose of all of his Dissent Shares and in consideration therefor Falcon Gold shall issue to the Dissenting Shareholder a debt-claim against Latamark to be paid the aggregate Fair Value of those Dissent Shares in accordance with Section 3.1 of this Plan of Arrangement and thereupon the Dissent Shares shall be cancelled and an amount equal to the share capital attributable to such cancelled Dissent Shares shall be subtracted from the share capital of the Falcon Gold Shares;

(b) Falcon Gold will exchange with Latamark, free and clear of all Encumbrances, the Latamark Preferred Shares plus transfer and assign its rights and interests pursuant to the Esperanza Option Agreement, in exchange for (i) Latamark assuming all of the Esperanza Option Agreement Obligations, (ii) issuing 5,000,000 Latamark Shares to Falcon Gold, and (iii) issuing to the Falcon Gold Shareholders one Latamark Share for every 5.8 Falcon Gold Shares held; and thereupon,

(i) Falcon Gold shall cease to be a party to or hold any rights or interests under the Esperanza Option Agreement,

(ii) Latamark shall become the legal and beneficial holder of all of Falcon Gold's rights and interests pursuant to the Esperanza Option Agreement,

(iii) Latamark will become responsible for the Esperanza Option Agreement Obligations,

(iv) the Falcon Gold Shareholders will become shareholders of Latamark on a pro-rata basis; and

(v) an appropriate sum shall be added to the stated capital of Latamark.

2.3 Completion Time Procedures

On or immediately prior to the Effective Date, Latamark shall deliver or arrange to be delivered the certificates representing the Latamark Shares required hereunder.

3. DISSENT RIGHTS

3.1 Dissent Rights

(1) Each registered Falcon Gold Shareholder shall have the right (the Falcon Gold Shareholder's "**Dissent Rights**") to dissent from the Arrangement and be paid the Fair Value for his Falcon Gold Shares provided that the Falcon Gold Shareholder exercises the holder's Dissent Rights:

(a) in respect of all, and not less than all, of the Falcon Gold Shareholder's Falcon Gold Shares; and

(b) strictly in accordance with the rules and procedures set out in subsection 3.1(2) below.

(2) The rules and procedures (the "**Dissent Procedures**") by which an Falcon Gold Shareholder may exercise Dissent Rights are those set out in Division 2 of Part 8 of the BCBCA, provided that no Falcon Gold Shareholder who votes in favour of the Arrangement Resolution may exercise Dissent Rights or be a Dissenting Falcon Gold Shareholder.

(3) Each registered Falcon Gold Shareholder who validly exercises Dissent Rights in respect of all, and not less than all, of the Falcon Gold Shareholder's Falcon Gold Shares and otherwise strictly acts in accordance with the Dissent Procedures, and whose Dissent Rights have not been withdrawn, revoked, or otherwise cancelled at or before the Effective Time (each such Falcon Gold Shareholder a "**Dissenting Falcon Gold Shareholder**", and each of the Dissenting Falcon Gold Shareholder's Falcon Gold Shares, a "**Dissent Share**"), shall participate in the Arrangement in the manner set out in paragraph 2.2(a) hereof.

(4) The Fair Value of Dissent Shares shall be determined and, subject to subsection (6), paid in accordance with the rules, procedures, rights, and obligations set out in the BCBCA, and each payment by Latamark to a Dissenting Falcon Gold Shareholder of the Fair Value of the Dissenting Falcon Gold Shareholder's Dissent Shares shall be and be deemed to be in full, final, and conclusive payment, accord, and satisfaction of the debt claim issued to the Dissenting Falcon Gold Shareholder pursuant to paragraph 2.2(a) hereof, and all rights of every kind and description hereunder.

(5) Falcon Gold hereby designates, in respect of each payment of the Fair Value of Dissent Shares to a Dissenting Falcon Gold Shareholder, the lesser of:

(a) that portion of the payment that is deemed by subsection 84(3) of the Tax Act to be a taxable dividend paid by Falcon Gold to the Falcon Gold Dissenting Shareholder, and

(b) the amount by which that deemed dividend exceeds Falcon Gold's "low rate income pool" (as defined in subsection 89(1) of the Tax Act) at the time of payment, to be an Eligible Dividend.

(6) Each payment by Falcon Gold to a Dissenting Falcon Gold Shareholder in accordance herewith shall be subject to, and be paid net of, all withholding taxes applicable to the payment pursuant Part XIII of the Tax Act.

4. AMENDMENTS

4.1 Amendments

Falcon Gold, in its sole discretion, may amend, modify or supplement this Plan of Arrangement from time to time at any time before the Effective Time provided that any such amendment, modification or supplement must be in writing and filed with the Court and, if made after the Falcon Gold Meeting, approved by the Court.

4.2 Effectiveness of Amendments Made Prior to or at the Falcon Gold Meeting

Falcon Gold may propose any amendment, modification or supplement to this Plan of Arrangement at any time prior to or at the Falcon Gold Meeting with or without prior notice or communication to the Falcon Gold Shareholders, and if so proposed and accepted by the Falcon Gold Shareholders voting at the Falcon Gold Meeting, shall be effective and become part of this Plan of Arrangement for all purposes.

4.3 Effectiveness of Amendments Made After the Falcon Gold Meeting

Falcon Gold may propose any amendment, modification or supplement to this Plan of Arrangement after the Falcon Gold Meeting but before the Effective Time and, if so proposed and approved by the Court after the Falcon Gold Meeting, shall be effective and become part of the Plan of Arrangement for all purposes.

APPENDIX B

ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION:

1. The arrangement (the "**Arrangement**") under section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving Falcon Gold Corp. ("**Falcon Gold**") and Latamark Resources Corp. ("**Latamark**"), all as more particularly described and set forth in the Management Information Circular (the "**Circular**") of Falcon Gold dated June 22, 2022 (as the Arrangement may be modified, supplemented or amended), is hereby authorized, approved and adopted.

2. The plan of arrangement, as it may be or has been amended (the "**Plan of Arrangement**"), involving Falcon Gold and Latamark, and implementing the Arrangement, the full text of which is set out in Schedule B to the Circular (as the Plan of Arrangement may be, or may have been, modified, supplemented or amended), is hereby approved and adopted.

3. The arrangement agreement between Falcon Gold and Latamark dated June 16, 2022 (the "**Arrangement Agreement**"), the actions of the directors of Falcon Gold in approving the Arrangement, and the actions of the officers of Falcon Gold in executing and delivering the Arrangement Agreement and any amendments thereto, are hereby ratified and approved.

4. Falcon Gold is authorized to apply for a final order from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be, or may have been, amended, modified or supplemented and as described in the Circular).

5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Shareholders of Falcon Gold or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Falcon Gold are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Falcon Gold:

   (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or

   (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

6. Any director or officer of Falcon Gold is hereby authorized and directed for and on behalf of Falcon Gold to execute, whether under corporate seal of Falcon Gold or otherwise, and to deliver such documents as are necessary or desirable to give effect to the Arrangement.

7. Any director or officer of Falcon Gold is hereby authorized, for and on behalf and in the name of Falcon Gold , to execute and deliver, whether under corporate seal of Falcon Gold or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

   (a) all actions required to be taken by or on behalf of Falcon Gold, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

(b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Falcon Gold,

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE F

COURT MATERIALS

See attached.

S-225145

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FALCON GOLD CORP. AND LATAMARK RESOURCES CORP.

FALCON GOLD CORP.

PETITIONER

NOTICE OF PETITION

To: The holders (the "**Falcon Gold Securityholders**") of common shares, options and warrants of Falcon Gold ("**Falcon Gold Securities**") of Falcon Gold Corp. ("**Falcon Gold**")

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by the Petitioner Falcon Gold in the Supreme Court of British Columbia (the "**Court**") for approval of a plan of arrangement (the "**Arrangement**") pursuant to the *Business Corporations Act*, S.B.C. 2002, c.57, as amended (the "**BCBCA**").

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application pronounced by the Court on June 27, 2022 the Court has given directions as to the calling of a special meeting of the Falcon Gold Securityholders (the "**Meeting**"), for the purpose of, among other things, considering, voting upon and approving the Arrangement.

AND NOTICE IS FURTHER GIVEN that if the Arrangement is approved at the Meeting the Petitioner intends to apply to the Court for a final order approving the Arrangement and for a determination that the terms of the Arrangement are fair and reasonable (the "**Final Order**"), which application shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, by Microsoft Teams or by telephone, as the case may be, on August 15, 2022, at 9:45 am (Vancouver time), or as soon thereafter as counsel may be heard or at such other date and time as the Court may direct (the "**Final Application**").

NOTICE IS FURTHER GIVEN that the Court has been advised that, if granted, the Final Order approving the Arrangement and the declaration that the Arrangement is substantively and procedurally fair and reasonable to those who will receive securities in the exchange.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application, but only if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("**Response**") in the form prescribed by the *Supreme Court Civil Rules*, and delivered a copy of the filed Response, together with all affidavits and other material upon which such person

intends to rely at the hearing of the Final Application, including an outline of such person's proposed submission, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) no later than two business days prior to the date of the hearing of the application for the Final Order.

The Petitioner's address for delivery is:

CASSELS, BROCK & BLACKWELL LLP
Barristers and Solicitors
2200 - 885 West Georgia St.
Vancouver, British Columbia, Canada V6C 3E8
Attention: Shayna Clarke

Fax number for delivery: (604) 691-6120

Telephone: (778) 372-7345

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of "Response" at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend, either in person or by counsel, at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Falcon Gold Securityholders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Falcon Gold Securityholders upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Estimated time required: 20 minutes

This matter is not within the jurisdiction of a Master.

Date: June 23, 2022

"*Shayna Clarke*"

Signature of lawyer for the Petitioner
Shayna Clarke

S-225145

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FALCON GOLD CORP. AND LATAMARK RESOURCES CORP.

AND

FALCON GOLD CORP.

PETITIONER

ORDER MADE AFTER APPLICATION

(Interim Order)

BEFORE) MASTER Robertson) JUNE 27, 2022

ON THE APPLICATION of the Petitioner, Falcon Gold Corp. ("**Falcon Gold**") for an Interim Order pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with a proposed arrangement (the "**Arrangement**") with Latamark Resources Corp. ("**Latamark**") to be effected on the terms and subject to the conditions set out in a plan of arrangement (the "**Plan of Arrangement**"), without notice, coming on for hearing by Microsoft Teams on June 27, 2022 and ON HEARING Shayna Clarke, counsel for the Petitioner, and upon reading the Petition to the Court herein and the Affidavit of Karim Rayani sworn on June 23, 2022 and filed herein (the "**Rayani Affidavit**"); and UPON BEING ADVISED that it is the intention of the parties to rely upon Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**US Securities Act**") as a basis for an exemption from the registration requirements thereof with respect to securities of Latamark issued under the proposed Plan of Arrangement based on the Court's approval of the Arrangement and determination that the Arrangement is substantively and procedurally fair and reasonable to those who will receive securities in the exchange;

THIS COURT ORDERS THAT:

DEFINITIONS

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft management information circular (the "**Circular**") attached as Exhibit "B" to the Rayani Affidavit.

MEETING

2. Pursuant to Sections 186 and 288-291 of the BCBCA, Falcon Gold is authorized and directed to call, hold and conduct an annual and general special meeting (the "**Meeting**") of the holders of common shares of Falcon Gold (the "**Falcon Gold Shareholders**") to be held in person and virtually by teleconference, information to be provided in the Circular and Notice of Meeting, at 10:00 AM (Vancouver time) on August 10, 2022 or such other date as Falcon Gold and Latamark may agree, to, among other things:

   (a) to consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") of the Falcon Gold Shareholders approving the Arrangement under Division 5 of Part 9 of the BCBCA, the full text of which is set forth in Schedule "D" to the Circular; and

   (b) to transact such further or other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof.

3. The Meeting shall be called, held and conducted in accordance with the BCBCA, the articles of Falcon Gold and the Circular subject to the terms of this Interim Order, and any further order of this Court, and the rulings and directions of the chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

ADJOURNMENT

4. Notwithstanding the provisions of the BCBCA and the articles of Falcon Gold, and subject to the terms of the Arrangement Agreement, Falcon Gold, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Falcon Gold Shareholders respecting such adjournment or postponement and without the need for approval of the Court. Subject to the terms of the Arrangement Agreement, notice of any such adjournments or postponements shall be given by news release, newspaper advertisement, or by notice sent to the Falcon Gold Securityholders by one of the methods specified in paragraphs 9 and 10 of this Interim Order, as determined to be the most appropriate method of communication by the board of directors of Falcon Gold.

5. The Record Date (as defined in paragraph 7 below) shall not change in respect of any adjournments or postponements of the Meeting, unless Falcon Gold determines that it is advisable, and subject to the consent of Latamark acting reasonably.

AMENDMENTS

6. Prior to the Meeting, Falcon Gold is authorized to make such amendments, revisions or supplements to the proposed Arrangement and the Plan of Arrangement, in accordance with the terms of the Arrangement Agreement, without any additional notice to the Falcon Gold Shareholders or other Falcon Gold Securityholders (as defined below) or further orders of this Court, and the Arrangement and Plan of Arrangement as so amended, revised and supplemented shall be the Arrangement and Plan of Arrangement submitted to the Meeting.

RECORD DATE

7. The record date for determining the Falcon Gold Shareholders entitled to receive notice of, attend at and vote at the Meeting shall be the close of business in Vancouver, British Columbia on June 22, 2022, or such other date as may be agreed to by Falcon Gold and Latamark (the "**Record Date**").

NOTICE OF MEETING

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and Falcon Gold shall not be required to send to the Falcon Gold Securityholders (as defined below) any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.

9. The Circular, the Notice of Petition and the form of proxy, in substantially the same forms as contained in Exhibits "B", "C" and "D" to the Rayani Affidavit (collectively referred to as the "**Meeting Materials**"), with such deletions, amendments or additions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such deletions, amendments or additions are not inconsistent with the terms of this Interim Order, shall be made available to the Falcon Gold Shareholders as they appear on the central securities register of Falcon Gold or the records of its registrar and transfer agent as at the close of business on the Record Date at least 30 days prior to the date of the Meeting, excluding the date of commencement of mailing, delivery or transmittal, pursuant to the Notice-and-Access Provisions under Canadian Securities Regulations under s. 9.1.1. of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), and with respect to beneficial Falcon Gold Shareholders, under s. 2.7.1 of National Instrumental 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") (together the "**Notice-and-Access Provisions**"), which Notice-and-Access Provisions require, in either case, delivery at least 30 clear days before the date of the Meeting, excluding the date of mailing of the form of notice (the "**Notice**") as prescribed under Notice-and-Access Provisions or delivery, to the Falcon Gold Shareholders who are registered Falcon Gold Shareholders on the Record Date and to beneficial Falcon Gold Shareholders as of the Record Date, where applicable, by providing in accordance with NI 54-101, the requisite number of copies of the Notice to intermediaries and registered nominees.

10. The Circular and Notice of Petition in connection with the Final Order in substantially the same forms as contained in Exhibits "B" and "C", respectively, to the Rayani Affidavit, with such deletions, amendments or additions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such deletions, amendments or additions are not inconsistent with the terms of this Interim Order (the "**Notice Materials**"), shall be made available in accordance with the Notice-and-Access Provisions, described above, to the holders of outstanding options and warrants to purchase Falcon Gold Shares (the "**Falcon Gold Optionholders**", the "**Falcon Gold Warrantholders**" and collectively with the Falcon Gold Shareholders, the "**Falcon Gold Securityholders**") to the address of such holder as it appears in the applicable records of Falcon Gold at least 30 days prior to the date of the Meeting, excluding the date of mailing or transmittal.

11. The Notice, which includes access to the Meeting Materials and Notice Materials pursuant to the Notice-and-Access Provisions described above, will be sent by prepaid ordinary mail addressed to each of the Falcon Gold Securityholders, at his or her address

appearing in the records of Falcon Gold, or by delivery of same by personal delivery courier service or by electronic transmissions to any such Falcon Gold Securityholder who identifies himself or herself to the satisfaction of Falcon Gold and who requests or accepts such electronic transmission.

12. The Notice, which includes access to the Meeting Materials and Notice Materials pursuant to the Notice-and-Access Provisions described above, will be sent by prepaid ordinary mail addressed to each Falcon Gold director and to Falcon Gold's auditor at his or her address as it appears on the records of Falcon Gold, or by delivery of same by personal delivery courier service or by electronic transmissions to any such director or auditor who identifies himself or herself to the satisfaction of Falcon Gold and who requests or accepts such electronic transmission.

13. Notice-and-Access Provisions require posting of all Meeting Materials to an internet website, in addition to SEDAR, accessible by each Falcon Gold Shareholder and each beneficial Falcon Gold Shareholder. Falcon Gold will post the Meeting Materials to https://falcongold.ca/, and the link will be included in the Notice being mailed to each registered Falcon Gold Shareholder and each beneficial Falcon Gold Shareholder. This link will be activated by Falcon Gold on the date of mailing the Notice.

14. Substantial compliance with paragraphs 9 to 13 will constitute good and sufficient notice of the Meeting and delivery of the Meeting Materials.

15. Accidental failure of or omission by Falcon Gold to give notice to any one or more Falcon Gold Securityholder or any other person entitled thereto, or the non-receipt of such notice by one or more Falcon Gold Securityholder or any other person entitled thereto, or any failure or omission to give such notice as a result of events beyond the reasonable control of Falcon Gold (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Falcon Gold, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

16. Provided that notice of the Meeting is given, the Meeting Materials are made available to the Falcon Gold Shareholders and Notice Materials are made available to the Falcon Gold Securityholders, and in each case to other persons entitled to be provided such materials in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived and no other form of service of the Meeting Materials or Notice Materials or any portion thereof need be made or notice given, or other material served in respect of these proceedings or the Meeting, except as may be directed by a further order of this Court.

DEEMED RECEIPT OF NOTICE

17. The Meeting Materials and the Notice Materials (and any amendments, modifications, updates or supplements to the Meeting Materials or the Notice Materials, and any notice of adjournment or postponement of the Meeting) shall be deemed, for the purposes of this Interim Order, to have been served upon and received:

(a) in the case of mailing pursuant to paragraphs 11 and 12 above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(b) in the case of delivery in person pursuant to paragraphs 11 and 12 above, the day following personal delivery or, in the case of delivery by courier, the day following delivery to the person's address in paragraph 10 above; and

(c) in the case of any means of transmitted, recorded or electronic communication pursuant to paragraphs 11 and 12 above, when dispatched or delivered for dispatch.

(d) In the case of delivery pursuant to the Notice-and-Access Provisions, the business day after delivery of the Notice.

QUORUM AND VOTING

18. The quorum required at the Meeting shall be two (2) persons, present in person or by proxy, being Falcon Gold Shareholders entitled to vote at the Meeting, and who hold at least five percent (5%) of the issued shares entitled to vote at the Meeting.

19. The vote required to pass the Arrangement Resolution shall be the affirmative vote of at least two-thirds of the votes cast at the Meeting by Falcon Gold Shareholders, present in person or represented by proxy and entitled to vote at the Meeting, voting as one class on the basis of one vote per Falcon Gold Share.

20. In all other respects, the terms, restrictions and conditions set out in the articles of Falcon Gold shall apply in respect of the Meeting.

PERMITTED ATTENDEES

21. The only persons entitled to attend the Meeting shall be (i) the registered Falcon Gold Shareholders as of the close of business in Vancouver, British Columbia on the Record Date, or their respective proxyholders, as applicable (ii) Falcon Gold's directors, officers, auditors and advisors, (iii) representatives of Latamark, including any of their respective directors, officers and advisors, and (iv) any other person admitted on the invitation of the chair of the Meeting or with the consent of the chair of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered Falcon Gold Shareholders as at the close of business on the Record Date, or their respective proxyholders.

SCRUTINEERS

22. Representatives of Falcon Gold's registrar and transfer agent (or any agent thereof) are authorized to act as scrutineers for the Meeting.

SOLICITATION OF PROXIES

23. Falcon Gold is authorized to use the form of proxy (in substantially the same form as attached as Exhibit "C" to the Rayani Affidavit) in connection with the Meeting, subject to Falcon Gold's ability to insert dates and other relevant information in the form and, subject to the Arrangement Agreement, with such amendments, revisions or supplemental information as Falcon Gold may determine are necessary or desirable. Falcon Gold is

authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

24. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials. The chair of the Meeting may in his or her discretion, without notice, waive or extend the time limits for the deposit of proxies by Falcon Gold Shareholders if he or she deems it advisable to do so, such waiver or extension to be endorsed on the proxy by the initials of the chair of the Meeting.

DISSENT RIGHTS

25. Each registered Falcon Gold Shareholder who is a registered Falcon Gold Shareholder as of the Record Date shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of Sections 237-247 of the BCBCA, as modified by the terms of this Interim Order, the Plan of Arrangement and the Final Order.

26. Registered Falcon Gold Shareholders shall be the only Falcon Gold Shareholders entitled to exercise rights of dissent. A beneficial holder of Falcon Gold Shares registered in the name of a broker, custodian, trustee, nominee or other intermediary who wishes to dissent must make arrangements for the registered Falcon Gold Shareholder to dissent on behalf of the beneficial holder of Falcon Gold Shares or, alternatively, make arrangements to become a registered Falcon Gold Shareholder. For the purposes of rights to dissent in respect of the Arrangement Resolution, reference to the term "shareholder" in Division 2 of Part 8 of the BCBCA shall be read to mean registered Falcon Gold Shareholder as such term is used herein, reference to "notice shares" in Division 2 of Part 8 of the BCBCA shall be read to mean Falcon Gold Shares, as such term is defined herein, in respect of which dissent is being validly exercised under any notice of dissent, and reference to "the company" in section 244(3), 245, 246(h) and 247(c) of the BCBCA shall be read to mean Falcon Gold.

27. In order for a registered Falcon Gold Shareholder to exercise such right of dissent (the "**Dissent Right**"):

(a) a dissenting Falcon Gold Shareholder must deliver a written notice of dissent which must be received by Falcon Gold c/o Cassels Brock & Blackwell LLP, 2200 – 885 West Georgia St., Vancouver British Columbia, Canada V6C 3E8, Attention: David Overall, by 5:00 p.m. (Vancouver time) on August 8, 2022, or, in the case of any adjournment or postponement of the Meeting, the date which is two business days prior to the date of the adjourned or postponed Meeting;

(b) a dissenting Falcon Shareholder must not have voted his, her or its Falcon Gold Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution, and a vote against the Arrangement Resolution or an abstention shall not constitute written notice of dissent;

(c) a dissenting Falcon Gold Shareholder may not exercise rights of dissent in respect of only a portion of such dissenting Falcon Gold Shareholder's Falcon Gold Shares, but may dissent only with respect to all of the Falcon Gold Shares held by such person; and

(d) the exercise of such Dissent Right must otherwise comply with the requirements of Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, this Interim Order and the Final Order.

28. Notice to the Falcon Gold Shareholders of their Dissent Right with respect to the Arrangement Resolution shall be given by including information with respect to the Dissent Right in the Circular to be sent to Falcon Gold Shareholders in accordance with this Interim Order.

29. Subject to further order of this Court, the rights available to the Falcon Gold Shareholders under the BCBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Falcon Gold Shareholders with respect to the Arrangement.

APPLICATION FOR FINAL ORDER

30. Upon the approval, with or without variation, by the Falcon Gold Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Falcon Gold may apply to this Court for, *inter alia*, an order:

(a) pursuant to s. 291(4)(a) of the BCBCA, approving the Arrangement; and

(b) pursuant to s. 291(4)(c) of the BCBCA, declaring that the terms and conditions of the Arrangement, and the distribution of securities to be effected by the Arrangement, are procedurally and substantively fair and reasonable to those who will receive securities in the distribution

(collectively, the "**Final Order**"),

and the hearing of the Final Order shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time) on August 15, 2022, or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as this Court may direct.

31. The form of Notice of Petition in connection with the Final Order attached to the Rayani Affidavit as Exhibit "C" is hereby approved as the form of Notice of Proceedings for such approval. Any Falcon Gold Securityholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to the terms of this Interim Order.

32. Any Falcon Gold Securityholder seeking to appear at the hearing of the application for the Final Order must file and deliver a Response to Petition (a "**Response**") in the form prescribed by the Supreme Court Civil Rules, and a copy of all affidavits or other materials upon which they intend to rely, to the Petitioner's solicitors at:

CASSELS, BROCK & BLACKWELL LLP
Barristers and Solicitors
2200 - 885 West Georgia Street
Vancouver, BC V6C 3E8

Attention: Shayna Clarke

Fax number for delivery: (604) 691-6120

Telephone: (778) 372-7345

by or before 4:00 p.m. (Vancouver time) on the date that is two business days prior to the date of the hearing of the application for the Final Order.

33. Sending the Notice of Petition in connection with the Final Order and this Interim Order in accordance with paragraphs 9 to 13 of this Interim Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings, except as provided in paragraph 35 below. In particular, service of the Petition to the Court herein and the Rayani Affidavit and additional affidavits as may be filed, is dispensed with.

34. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for Latamark and any persons who have delivered a Response in accordance with this Interim Order.

35. In the event the hearing for the Final Order is adjourned, only the solicitors for Latamark and those persons who have filed and delivered a Response in accordance with this Interim Order need be provided with notice of the adjourned hearing date and any filed materials.

VARIANCE

36. The Petitioner shall, subject to the terms of the Arrangement Agreement, be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

37. To the extent of any inconsistency or discrepancy between this Interim Order and the Circular, the BCBCA, applicable Securities Laws or the articles of Falcon Gold, this Interim Order shall govern.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

"*Signed*"
Signature of Lawyer for Falcon Gold Corp.
Shayna Clarke

By the Court

"*Signed*"

Registrar

SCHEDULE G

DIVISION 2 OF PART 8 OF THE BCBCBCA

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to:

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240(2) (b) or (3)(b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1)(a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1)(c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

(a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE H

FALCON GOLD INC. – FINANCIAL STATEMENTS

See attached.

Consolidated Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Falcon Gold Corp.

Opinion

We have audited the consolidated financial statements of Falcon Gold Corp. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at June 30, 2021 and 2020, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
October 27, 2021

FALCON GOLD CORP.
Consolidated Statements of Financial Position
As at June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	June 30 2021	June 30, 2020
ASSETS		
Current		
Cash and cash equivalents	$ 547,426	$ 121,333
Amount receivable	132,058	29,912
Marketable securities (Note 5)	253,785	60,000
Prepaid expenses	42,363	23,300
	975,632	234,545
Exploration and evaluation assets (Note 6)	1,396,657	626,350
	$ 2,372,289	$ 860,895
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 162,068	$ 437,166
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	9,040,847	6,962,208
Share subscription receivable	56,985	-
Contributed surplus	1,717,387	1,179,520
Deficit	(8,604,998)	(7,717,999)
	2,210,221	423,729
	$ 2,372,289	$ 860,895

Nature of operations and continuance of business (Note 1)
Subsequent events (Notes 11)

Approved and authorized for issuance on behalf of the Board of Directors on October 27, 2021:

/s/ Karim Rayani
Karim Rayani

/s/ James Farley
James Farley

(The accompanying notes are an integral part of these consolidated financial statements)

FALCON GOLD CORP.
Consolidated Statements of Operations and Comprehensive Loss
For the years ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	2021	2020
Administrative expenses		
Consulting fees (Note 8)	$ 120,042	$ 124,124
Exploration expenditures	7,467	-
Filing fees and communications	239,865	217,269
Foreign exchange loss	675	3,300
General and administration costs	54,964	20,571
Interest expense	17,072	-
Management fees (Note 8)	113,000	113,500
Professional fees	46,920	42,573
Share-based payments (Notes 7 and 8)	458,600	117,099
Travel and promotion	28,584	-
	1,087,189	638,436
Loss before other items	(1,087,189)	(638,436)
Other items		
Other income	87,045	20,850
Gain on settlement of debt	-	45,582
Write-off of accounts payable	-	43,032
Write-off of mineral properties	(42,562)	(148,344)
Write-off of prepaid expenses	-	(25,350)
Mineral property option payments in excess of capitalized cost	-	6,170
Realized gain on sale of marketable securities (Note 5)	29,119	-
Unrealized gain on marketable securities	126,588	25,000
	200,190	(33,060)
Net loss and comprehensive loss for the year	$ (886,999)	$ (671,496)
Basic and diluted loss per share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	91,811,446	59,634,451

(The accompanying notes are an integral part of these consolidated financial statements)

FALCON GOLD CORP.
Consolidated Statements of Changes in Shareholders' Equity
For the year ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share subscriptions received (receivable)	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, June 30, 2019	38,120,184	$ 5,637,864	$ -	$ 948,971	$ (7,046,503)	$ (459,668)
Cash						
Private placement	22,861,634	697,162	-	10,484	-	707,646
Share issue cost	-	(3,735)	-	-	-	(3,735)
Shares issued for options exercised	400,000	30,917	-	(10,917)	-	20,000
Shares issued for warrants exercised	6,115,000	305,750	-	-	-	305,750
Shares issued for debt	550,000	19,250	-	-	-	19,250
Shares and warrants issued for mineral properties	4,500,000	275,000	-	113,883	-	388,883
Share-based payments	-	-	-	117,099	-	73,109
Net loss for the year	-	-	-	-	(671,496)	(671,496)
Balance, June 30, 2020	72,546,818	$ 6,962,208	$ -	$ 1,179,520	$ (7,717,999)	$ 423,729
Balance, June 30, 2020	72,546,818	$ 6,962,208	$ -	$ 1,179,520	$ (7,717,999)	$ 423,729
Cash						
Private placement	12,416,665	1,193,334	(73,000)	66,667	-	1,187,001
Exercise of warrants	13,142,300	825,530	(50,000)	-	-	775,530
Exercise of stock options	140,000	17,400	-	(7,400)	-	10,000
Shares issued for mineral properties	475,000	42,375	-	-	-	42,375
Warrants issued for mineral properties	-	-	-	20,000	-	20,000
Share-based payments	-	-	-	458,600	-	458,600
Share subscriptions received	-	-	179,985	-	-	179,985
Net loss for the year	-	-	-	-	(886,999)	(886,999)
Balance, June 30, 2021	98,720,783	$ 9,040,847	$ 56,985	$ 1,717,387	$ (8,604,998)	$ 2,210,221

(The accompanying notes are an integral part of these consolidated financial statements)

FALCON GOLD CORP.
Consolidated Statements of Cash Flows
For the years ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	2021	2020
Operating Activities		
Net loss for the period	$ (886,999)	$ (671,496)
Items not affecting cash		
Unrealized gain on marketable securities	(126,588)	(25,000)
Share-based payments	458,600	117,099
Other income	(87,045)	(20,850)
Realized gain on sale of marketable securities	(29,119)	-
Gain on settlement of debt	-	(45,582)
Mineral property option payments in excess of capitalized costs	-	(6,170)
Write-off of accounts payable	-	(43,032)
Write-off of mineral properties	42,562	148,344
Write-off of prepaid expenses	-	25,350
Changes in non-cash working capital items related to operations:		
Amount receivable	(102,146)	(27,610)
Prepaid expenses and deposits	(19,063)	(23,300)
Accounts payable and accrued liabilities	(275,097)	16,995
Cash used in operating activities	(1,024,895)	(555,252)
Investing Activities		
Exploration and evaluation assets	(778,200)	(327,809)
Proceeds on sale of marketable securities	76,672	-
Cash used in investing activities	(701,528)	(327,809)
Financing Activities		
Shares issued for cash	1,972,531	959,246
Share issue cost – cash	-	(3,735)
Share subscriptions received	179,985	-
Loan payable repayment	-	(4,000)
Cash provided by financing activities	2,152,516	951,511
Change in cash during the year	426,093	68,450
Cash, beginning of year	121,333	52,883
Cash and cash equivalents, end of the year	$ 547,426	$ 121,333
Cash and cash equivalents consist of the following:		
Cash	$ 470,729	$ 121,333
Cash held at a brokerage account	76,697	-
	$ 547,426	$ 121,333
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash Transactions		
Exploration and evaluation assets and marketable securities	$ 114,750	$ -
Exploration and evaluation assets and contributed surplus	$ 20,000	$ -
Exploration and evaluation assets and share capital	$ 42,375	$ 275,000
Share capital and contributed surplus	$ 7,400	$ -

(The accompanying notes are an integral part of these consolidated financial statements)

1. NATURE OF OPERATIONS AND GOING CONCERN

Falcon Gold Corp. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on November 24, 2006 and was continued under the Business Corporations Act (British Columbia) on May 2, 2013. The Company's registered office is located at 110 – 175 Victory Ship Way, North Vancouver, BC, V7L 0B2.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2021, the Company has no source of recurring revenue, generates negative cash flows from operating activities, and has an accumulated deficit of $8,604,998. These factors raise significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time our business, liquidity, capital resources and financial results.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on October 27, 2021.

2. BASIS OF PREPARATION (continued)

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The presentation currency and the functional currency of the Company and its subsidiaries is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the financial statements, unless otherwise indicated.

Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Manhattan Minerals Inc. and 2287991 Ontario Inc.

The consolidated financial statements include the financial statements of subsidiaries subject to control by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of operations and comprehensive loss for the effective date of acquisition or up to the effective date of disposal, as appropriate. All inter-company transactions and balances are eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at bank and cash held at brokerage account.

Functional Currency

The presentation currency and the functional currency of the Company and its subsidiaries is the Canadian dollar

Transactions in foreign currencies are translated into the functional currency at exchange rates at the date of the transactions. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when acquired. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as mineral concession taxes, option payments, wages and salaries, surveying, geological consulting and laboratory costs, field supplies, travel and administration. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they are incurred.

The Company may occasionally enter into option or royalty arrangements, whereby the Company will transfer part of its mineral properties, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at June 30, 2021 and 2020 as the disturbance to date is minimal.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Consideration received from a private placement financing involving units consisting of common shares and warrants is allocated to the share capital and the warrant reserve accounts using the residual value method. The residual method first allocates the value to common shares issued in the private placements at their fair value as determined by the closing quoted bid price on the issuance date. The balance, if any, is allocated to the warrants. Any fair value attributed to the warrants is recorded as contributed surplus in shareholders; equity. Share issuance costs are netted against share proceeds on a pro rata basis.

Loss per Share

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted income or loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year, if they are determined to have a dilutive effect. In periods when the Company has generated a net loss, stock options and share purchase warrants are not included in the computation of diluted loss per share as they are anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Payments

Where equity-settled share options are granted to employees, the fair value of the options at the date of grant, measured using the Black-Scholes option pricing model, is charged to the statement of comprehensive loss or capitalized to mineral properties over the vesting period using the graded vesting method. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Charges for options that are forfeited before vesting are reversed from share-based payment reserve.

Where equity-settled share options are granted to non-employees, they are measured at the fair value of the goods or services received. However, if the value of goods or services received in exchange for the options cannot be reliably estimated, the options are measured using the Black-Scholes option pricing model.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, together with any consideration received.

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the statements of operations and comprehensive loss. Cash and cash equivalents and marketable securities are classified as FVTPL.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the statements of operations. The election is available on an investment□by□investment basis. Investments in equity securities, where the Company cannot exert significant influence, are designated as financial assets at FVOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable, and loans payable are classified as and measured at amortized cost.

De-recognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate. A financial liability is derecognised when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in net loss.

Impairment of financial assets:

A loss allowance for expected credit losses is recognized in OCI for financial assets measured at amortized cost. At each balance sheet date, on a forward□looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12□ month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial instruments recorded at fair value:

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Impairment of Mineral Properties

In accordance with the Company's accounting policy for its mineral properties, exploration and evaluation expenditures on mineral properties are capitalized. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. The Company applies judgment to determine whether indicators of impairment exist for these capitalized costs.

Management uses several criteria in making this assessment, including the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral properties are budgeted, and evaluation of the results of exploration and evaluation activities up to the reporting date.

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Determining Amount and Timing of Reclamation Provisions

A reclamation provision represents the present value of estimated future costs for the reclamation of the Company's mineral properties. These estimates include assumptions as to the future activities, cost of services, timing of the reclamation work to be performed, inflation rates and interest rates. The actual cost to reclaim a mine or exploration property may vary from the estimated amounts because there are uncertainties with respect to the extent of required future remediation activities, as studies are currently ongoing, and uncertainties in factors used to estimate the cost and potential changes in regulations or laws governing the reclamation of a mineral property. Management periodically reviews the reclamation requirements and adjusts the liability as new information becomes available and will assess the impact of new regulations and laws as they are enacted.

Share-based payments

Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility, interest rates and dividend yield and expected vesting dates and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

Going Concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

5. MARKETABLE SECURITIES

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market.

Investment in marketable securities	Number of shares/Units Held	Investment Cost	Fair Value at June 30, 2021	Number of shares/Units Held	Investment Cost	Fair Value at June 30, 2020
	#	$	$	#	$	$
Public Companies						
Portofino Resources Inc.	236,500	27,198	21,285	-	-	-
Marvel Discovery Corp.	1,500,000	75,000	232,500	1,000,000	35,000	60,000
Total	1,736,500	102,198	253,785	1,000,000	35,000	60,000

During the year ended June 30, 2021, the Company sold some of its marketable securities for total proceeds of $76,671 and realized a gain of $29,119.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

As at June 30, 2020	McCaul Hutchinson	Central Canada	Bruce Lake	Spitfire & Sunny	Camping Lake	Wabunk Bay	Esperanza	Total
Balance, beginning of year	$ 33,562	$ 11,500	$ -	$ -	$	$ -	$ 41,770	$ 86,832
Acquisition costs	39,000	55,000	26,000	313,883	28,000	-	-	461,883
Option payments received	-	-	-	-	(35,000)	-	-	(35,000)
Option payments received in excess of carrying costs	-	-	-	-	6,170	-	-	6,170
Exploration costs	-	133,154	1,730	12,521	830	86,526	20,048	254,808
Write-down	-	-	-		-	(86,526)	(61,818)	(148,343)
Balance, end of year	$ 72,562	$ 199,654	$ 27,730	$ 326,404	$ -	$ -	$ -	$ 626,350

As at June 30, 2021	McCaul Hutchinson	Central Canada	Bruce Lake	Spitfire & Sunny	Gaspard	Springpole West	Esperanza	Hope Brook	Total
Balance, beginning of year	$ 72,562	$ 199,654	$ 27,730	$ 326,404	$ -	$ -	$ -	$ -	$ 626,350
Cash payments	-	62,000	-	-	15,000	-		-	77,000
Staking	-	-	-	-	-	-	-	115,505	115,505
Shares issued	-	6,375	-	-	18,000	-	18,000	-	42,375
Warrants issued	-	-	-	-	10,000	-	10,000	-	20,000
Option payment received	-	-	(74,750)	-	-	-	-	-	(74,750)
Option payment received in excess of cost	-	-	47,020	-	-	-	-	-	47,020
Exploration costs	-	557,108	-	9,730	-	2,250	16,631	-	585,719
Write-down	(42,562)	-	-	-	-	-	-	-	(42,562)
Balance, end of year	$ 30,000	$ 825,137	$ -	$ 336,134	$ 43,000	$ 2,250	$ 44,631	$ 115,505	$ 1,396,657

McCaul Hutchinson Property

On December 28, 2017, the Company entered into an option agreement to acquire 100% of the McCaul Hutchinson Property which consists of a claim group located in McCaul and Hutchinson Townships, east of Atikokan in Northern Ontario. The McCaul Hutchinson Property consists of 6 unpatented mining claims consisting of 55 claim shares. As consideration, the Company is required to issue 400,000 common shares and make cash payments totalling $250,000 as follows:

a) Cash payment of $5,000 on signing (paid);
b) Issue 50,000 common shares on regulatory approval (issued);
c) Cash payment of $20,000 (paid) and issuance of 50,000 common shares on the first anniversary of the approval (issued);
d) Cash payment of $50,000 and issuance of 50,000 common shares on the second anniversary of the approval (see below);
e) Cash payment of $50,000 and issuance of 50,000 common shares on the third anniversary of the approval date; and

6. EXPLORATION AND EVALUATION ASSETS (continued)

f) Cash payment of $125,000 and issuance of 200,000 common shares on the fourth anniversary of the approval date.

The McCaul Hutchinson Property is subject to a 1.0% net smelter return in favour of the previous owner of the claims. The Company may purchase the net smelter return for an aggregate amount of $1,000,000 at any time prior to the commencement of production.

During the year ended June 30, 2020, the Company entered into a debt settlement agreement to cover $39,000 of the second anniversary payment by issuing 650,000 common shares and a cash payment of $15,000, that was paid on August 8, 2020.

During the year ended June 30, 2021, the Company wrote down the McCaul Hutchinson Property to $30,000.

Central Canada Property

The Central Canada Property is subject to a 2.0% net smelter return in favour of the previous owner of the claims. On January 10, 2018, the Company entered into an option agreement to acquire 100% of the Central Canada Property consisting of a claim group located in Hutchinson Township, east of Atikokan in Northern Ontario. The Central Canada Property consists of 7 unpatented mining claims consisting of 55 claim shares. As consideration, the Company is required to issue 325,000 common shares and make cash payments totalling $141,500 and incur $100,000 in exploration and evaluation expenditures as follows:

a) Cash payment of $6,500 on signing (paid);
b) Issue 50,000 common shares on regulatory approval (issued);
c) Cash payment of $15,000 (paid), issuance of 50,000 common shares (issued) and incur $10,000 in exploration expenditures on or before the first anniversary of the approval (incurred);
d) Cash payment of $30,000, issuance of 50,000 common shares (see below) and incur $20,000 in exploration expenditures on or before the second anniversary of the approval (incurred);
e) Cash payment of $40,000 (paid), issuance of 75,000 common shares (issued) and incur $30,000 in exploration expenditures on or before the third anniversary of the approval date (incurred); and
f) Cash payment of $50,000, issuance of 100,000 common shares and incur $40,000 in exploration expenditures on or before the fourth anniversary of the approval date (incurred).

Company may purchase the one-half of the net smelter return for an aggregate amount of $1,000,000 at any time prior to the commencement of production.

During the year ended June 30, 2020, the Company entered into a debt settlement agreement to cover $21,000 of the second anniversary payment by issuing 350,000 common shares and a cash payment of $15,000, which was paid on August 8, 2020.

On July 23, 2020, the Company staked an additional 7,477 hectares of mineral claims consisting of 369 units in Atikokan gold camp. It increases the Company's land position to 10,392 hectares and additional 507 mining units.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Bruce Lake Property

On September 6, 2019, the Company entered into an option agreement to acquire 100% interest in the Bruce Lake Property, which consists of a claim group located in the Red Lake area of Northern Ontario. The Bruce Lake Property consists of 5 unpatented mining claims consisting of 72 claim cells. As consideration, the Company is required to issue 500,000 common shares (issued) and make cash payments totalling $58,000 of which $6,000 have been paid by the Company and the remaining $50,000 over a four-year period as follows – $8,000 on or before September 6, 2020 and $10,000, $14,000 and $20,000 due on the second, third and fourth anniversary date respectively.

The Bruce Lake Property is subject to a 1.5% net smelter return ("NSR") in favour of the previous owner of the claims. The Company may purchase the one-half of the NSR for an aggregate amount of $400,000 at any time prior to the commencement of production.

On June 20, 2020, the Company entered into property assignment agreement with Portofino Resources Inc. ("Portofino") whereby the Company has assigned 100% of the interest in the Bruce Lake Property as consideration, the Company received 650,000 common shares of Portofino valued at $74,750 and Portofino will assume the remaining cash payments of $50,000 commencing on September 6, 2020.

The Company will receive an additional 0.5% NSR for a total of 2% NSR of which 1.5% is payable to the previous owner.

Spitfire and Sunny Boy

On April 14, 2020, the Company acquired 100% interest in Spitfire and Sunny Boy claims in south central British Columbia. The claims are located approximately 16 kilometers east of Merritt and total 502 hectares. As consideration the Company paid cash of $25,000, issued 2,500,000 common shares fair valued at $175,000 and issued 2,500,000 warrants exercisable at $0.10 for a period of two years with a fair value of $113,883.

The vendor will retain a 2% net smelter royalty (NSR). The Company will have the right to purchase 0.5 of the total NSR 1% at any time up to commencement of production for a one-time payment of $400,000.

Camping Lake

On September 6, 2019, the Company entered into an option agreement to acquire 100% interest in the Camping Lake Property which consists of a claim group located in Red Lake area of Northern Ontario. The Camping Lake Property consists of 5 unpatented mining claims consisting of 109 claim cells. As consideration, the Company is required to issue 500,000 common shares (issued) and make cash payments totalling $65,000 of which $8,000 have been paid by the Company and the remaining $57,000 over a four-year period as follows – $10,000 on or before September 6, 2020 and $12,000, $15,000 and $20,000 due on the second, third and fourth anniversary date respectively.

The Camping Lake Property is subject to a 1.5% net smelter return in favour of the previous owner of the claims. The Company may purchase the one-half of the net smelter return for an aggregate amount of $400,000 at any time prior to the commencement of production.

6. EXPLORATION AND EVALUATION ASSETS (continued)

On October 22, 2019, the Company entered into an option agreement with Marvel Discovery Resources Inc.'s (formerly International Montoro Resources Inc.) ("IMT") whereby IMT has the option to earn an initial 51% interest in the Camping Lake Property by assuming the Company's underlying claim payment schedule of $65,000 over a four-year period, incurring property expenditures of $300,000 over 2 years and issuing 1,500,000 million shares of IMT to the Company. On January 18, 2020, the Company received 1,000,000 common shares with a fair value of $35,000 from IMT and the remaining 500,000 shares will be due within one year of the effective date. On March 17, 2021, the Company received the 500,000 shares of IMT with a fair value of $40,000. As at June 30, 2021, IMT and the Company are connected by way of common officers.

Upon exercising the option to earn an initial 51%, IMT can acquire an additional 24% interest for $500,000 cash within 120 days from earning the 51% interest. The agreement is subject to a 2% NSR royalty, with the original vendor at 1.5% and Falcon at 0.5%.

On July 14, 2020, the Company staked 57 claims to its Camping Lake Property. The new claims add approximately 1,200 hectares ("ha") to the Camping Lake Property that is located near the Red Lake gold camp in northwestern Ontario and increases the project size to 3,400 hectares of contiguous mining units.

On June 30, 2021, the Company has decided not to proceed with the Camping Lake Property and have mutually terminate the joint venture agreement with IMT.

Springpole West Project

On August 25, 2020, the Company acquired 4,440 hectares of mining land 110 kilometers ("km") northeast of Red Lake, ON in the Birch-Uchi Greenstone Belt on Springpole Lake. The Company's new Springpole West Property comprises 197 claims containing 217 units and extends from McNaughton Township.

Hope Brook

During the year ended June 30, 2021, the Company staked 996 claims within the Hope Brook area in Newfoundland for total cost of $115,505.

Esperanza Property

On February 3, 2021, the Company entered into an option agreement to re-acquire 80% interest in Esperanza property. As consideration, the Company is required to issue 500,000 common shares and 500,000 warrants and complete a total of US$350,000 in exploration expenditures over a four-year period with minimum annual expenditures of US$87,500 per year.

The Company is required to issue the following:

i) Issue 200,000 common shares (issued) and 200,000 warrants (granted) on signing of the agreement;
ii) Issue 100,000 common shares and 100,000 warrants on the second anniversary date of the first payment;
iii) Issue 100,000 common shares and 100,000 warrants on the third anniversary date; and
iv) Issue 100,000 common shares and 100,000 warrant on the fourth anniversary date;

The Company fair valued the 200,000 warrants at $10,000 using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.09; Risk-free interest rate of 0.22%; Dividend yield of nil; Expected volatility of 140%; Expected life of 2 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Upon completion of the 80% the Company has the option to acquire the remaining 20% for a further payment of 2,000,000 common shares of the Company and cash payment of US$1,500,000 payable within 30 months and grant 1% net Smelter Return Royalty to the vendor.

The Esperanza Property is comprised of seven mineral concessions within the Sierra de Las Minas District of La Rioja and San Luis provinces in Argentina.

On December 12, 2019, the Company terminated its original option agreement to earn an 80% interest in the Esperanza Property which it had amended on October 15, 2019, which required the Company to issue 5,500,000 common shares and carry out exploration and evaluation expenditures of $1.6 million USD over a period of six years.

Gaspard Claims

On January 27, 2021, the Company entered into a property purchase agreement to acquire 100% interest in the Gaspard Claims which is located in the Clinton Mining District in central British Columbia. The Gaspard Claims consist of 3 mineral claims totaling 3,955.15 hectares. As consideration, the Company paid $15,000 in cash and issued 200,000 common shares and granted 200,000 warrants at $0.20 per share for a two-year term within 15 days of the effective date and complete $34,000 in exploration expenditures on the property during the 2021 field season.

The Company fair valued the 200,000 warrants at $10,000 using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.09; Risk-free interest rate of 0.22%; Dividend yield of NIL; Expected volatility of 140%; Expected life of 2 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data.

The Company will pay a 2% net Smelter Returns ("NSR") to the vendor and the Company may at any time purchase 1% NSR for $1,500,000.

Wabunk Bay Property

The Wabunk Bay Property consists of a claim group located in Earngey Township in Northern Ontario. The Wabunk Bay Property consists of 2 unpatented mining claims consisting of 19 claim shares.

The Wabunk Bay Property is subject to a 1.0% net smelter return in favour of the previous owner of the claims. The Company may purchase the net smelter return for an aggregate amount of $1,000,000 at any time prior to the commencement of production.

The Company can acquire a 100% interest in the Wabunk Bay Property by making escalating cash payments of $200,000 and issuing 300,000 shares over a four- year period.

During the year ended June 30, 2018, the Company and Vatic Ventures Corp. entered into a memorandum of understanding whereby Vatic has an option to earn a 60% interest in the Wabunk Bay property by making an initial cash payment in the amount of $25,000 and a further cash payment of $275,000 before the first anniversary of the agreement. In addition, Vatic must issue an initial tranche of 200,000 shares of Vatic to the Company with each share consisting of one share and one share purchase warrant exercisable for a period of two years at $0.25 per share followed by an additional 200,000 shares prior to the first anniversary of the agreement on the same terms as the initial shares. Vatic must also incur exploration and evaluation expenditures of $750,000 within the twelve months prior to the first anniversary of the agreement.

6. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended June 30, 2019, the Company received a non-refundable cash amount of $25,000 as contemplated by the memorandum of understanding following which the memorandum of understanding was terminated by mutual consent.

During the year ended June 30, 2020, the Company terminated the option agreement.

Burton Property

The Burton Property consists of a 100% interest in a claim group located in Esther Township, northwest of Sudbury in Northern Ontario. The Burton Property consists of 16 unpatented mining claims and 6 patented claims covering 356 hectares in a largely contiguous block.

The Burton Property is subject to a 2.5% net smelter return and a 10% net profits interest in favour of the previous owner of the claims. The Company may purchase sixty percent of the net smelter return for an aggregate amount of $1,500,000 at any time.

During the year ended June 30, 2012, the Company entered into a Mining Option Agreement with Trelawney Mining and Exploration Inc. (now IAMGOLD Corporation) whereby Trelawney can earn up to a 75% interest in the Burton Property. The terms of the Agreement include a cash payment of $150,000 to the Company and a commitment to incur exploration and evaluation expenditures in the amount of $1,200,000 over a two-year period from the date of signing of the Agreement.

As of June 30, 2015, and June 30, 2016, sufficient amounts have been expended with respect to the Trelawney Agreement to enable Trelawney to earn a 51% interest in the Burton Property. The option for Trelawney to acquire an additional 24% interest in the Burton Property has lapsed.

During the year ended June 30, 2019, the Company identified an impairment indicator with respect to the Burton Property as there was an absence of substantive exploration expenditures over the past four fiscal years, nor are substantive exploration expenditures budgeted or planned for the coming fiscal year. Consequently, the Company recorded impairment in the amount of $1,308,291 in connection with the Burton Property.

As of June 30, 2020, and 2021, the Company owns 49% of the Property and the Property remain inactive.

7. SHARE CAPITAL

a) Authorized

Unlimited shares without par value.

b) Issued

During the year ended June 30, 2021

On July 13, 2020, the Company completed a non-brokered private placement of 5,750,000 units at a price of $0.08 per unit for total proceeds of $460,000. Each unit consist of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.125 per share expiring three years from the date of issuance.

On January 14, 2021, the Company completed a non-brokered private placement of 6,666,665 units at a price of $0.12 per unit for total proceeds of $800,000 of which $73,000 is included in subscriptions receivable at June 30, 2021. Each unit consist of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per share expiring on January 14, 2024. The Company has allocated the fair value of $66,667 to the warrants.

On March 12, 2021, the Company issued 200,000 common shares fair valued at $18,000, pursuant to the terms of the Gaspard property agreement.

On March 12, 2021, the Company issued 200,000 common shares fair valued at $18,000, pursuant to the terms of the Esperanza property agreement.

On April 14, 2021, the Company issued 75,000 common shares fair valued at $6,375, pursuant to the terms of the Central Canada property agreement.

During the year ended June 30, 2021, the Company issued an aggregate of 13,142,300 common shares pursuant to the exercise of share purchase warrants for total proceeds of $825,530 of which $50,000 was included in subscription receivable at June 30, 2021 and was subsequently collected.

During the year ended June 30, 2021, the Company issued 140,000 common shares pursuant to the exercise of stock options for total proceeds of $10,000. The Company also transferred $7,400 from contributed surplus.

7. SHARE CAPITAL (continued)

b) Issued (continued)

During the year ended June 30, 2020:

On July 12, 2019, the Company issued 15,580,000 units at $0.025 per unit which comprise of one common share and one common share purchase warrant. Each warrant will be exercisable for one share for a period of two years at $0.05.

On July 26, 2019, the Company issued 3,100,000 units at $0.025 per unit which comprise of one common share and one common share purchase warrant. Each warrant will be exercisable for one share for a period of two years at $0.05.

On October 9, 2019, the Company issued 1,000,000 common shares at $0.04 per share as partial consideration for the acquisition of mineral properties.

During the year ended June 30, 2020, the Company entered into an agreement to settle debt of $52,332 in exchange for the issue of 300,000 shares.

On December 10, 2019, the Company issued 2,085,000 flow-through units at $0.05 per unit which comprise of one common share and one-half share purchase warrant. Each warrant will be exercisable for one share for a period of two years at $0.075.

On January 17, 2020, the Company issued 250,000 common shares to the former CFO of the Company to settle debt of $12,500.

On May 12, 2020, the Company issued 1,000,000 common shares at $0.06 per share as partial consideration for the acquisition of mineral properties.

On May 22, 2020, the Company issued 2,096,634 units at $0.075 per unit which comprise of one common share and one common share purchase warrant. Each warrant will be exercisable for one share for a period of two years at $0.10. The Company has allocated the fair value of $10,484 to the warrants using the residual value method.

On June 2, 2020, the Company issued 2,500,000 common shares at $0.07 per share and 2,500,000 common share purchase warrants with a fair value of $113,883 as partial consideration for the acquisition of mineral properties.

During the year ended 2020, the Company issued 6,115,000 shares for warrants exercised and 400,000 shares for options exercised.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

c) Share purchase warrants

The following share purchase warrants entitle the holders thereof the right to purchase one share for each share purchase warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance June 30, 2019	17,214,000	$0.07
Issued	24,319,134	$0.06
Exercised	(6,115,000)	$ 0.05
Expired	(7,770,000)	$0.06
Balance June 30, 2020	27,648,134	$0.07
Issued	12,816,665	$0.10
Exercised	(13,142,300)	$0.06
Expired	(1,370,000)	$0.10
Balance, June 30, 2021	25,952,499	$0.10

The following warrants are outstanding at June 30, 2021:

Number of warrants	Exercise price per warrant	Expiry date
6,800,000	$0.05	July 12, 2021
1,000,000	$0.05	July 26, 2021
872,500	$0.08	December 12, 2021
1,963,334	$0.10	May 22, 2022
2,500,000	$0.10	June 2, 2022
5,750,000	$0.08	July 13, 2023
400,000	$0.20	March 12, 2023
6,666,665	$0.12	January 14, 2024
25,952,499		

Subsequent to June 30, 2021, 7,800,000 share purchase warrants were exercised for total proceeds of $390,000.

d) Stock options

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (the “Exchange”) under which it is authorized to grant options to directors, officers, employees and consultants to purchase shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding shares. Each stock option granted is for a term not exceeding five years unless otherwise specified. Outstanding options vest immediately at date of grant. Options granted to investor relations personnel vest in accordance with Exchange regulations.

7. SHARE CAPITAL (continued)

d) Stock options (continued)

On July 10, 2020, the Company granted 1,600,000 stock options exercisable to directors and officers of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.125 per share expiring on July 10, 2023 and vested on the grant date. The fair value of the stock options of $176,000 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.14; Risk-free interest rate of 0.28%; Dividend yield of nil; Expected volatility of 138%; Expected life of 3 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data. During the year ended June 30, 2021, the Company recorded $176,000 in share-based payments.

On September 16, 2020, the Company granted 1,000,000 stock options to directors of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.135 per share expiring on September 16, 2025 and vested on the grant date. The fair value of the stock options of $142,500 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.15; Risk-free interest rate of 0.33%; Dividend yield of nil; Expected volatility of 212%; Expected life of 5 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data. During the year ended June 30, 2021, the Company recorded $142,500 in share-based payments.

On March 10, 2021, the Company granted 1,500,000 stock options to directors of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.12 per share expiring on March 10, 2024 and vested on the grant date. The fair value of the stock options of $105,000 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.10; Risk-free interest rate of 0.45%; Dividend yield of nil; Expected volatility of 138%; Expected life of 3 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data. During the year ended June 30, 2021, the Company recorded $105,000 in share-based payments.

On May 31, 2021, the Company granted 500,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.12 per share expiring on May 31, 2024 and vested on the grant date. The fair value of the stock options of $35,100 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.095; Risk-free interest rate of 0.54%; Dividend yield of nil; Expected volatility of 137%; Expected life of 3 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data. During the year ended June 30, 2021, the Company recorded $35,100 in share-based payments.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

d) Stock options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of Stock Options	Weighted Average Exercise Price
Balance June 30, 2019	2,680,000	$0.15
Granted	4,000,000	$0.05
Exercised	(400,000)	$ 0.05
Expired/canceled	(2,680,000)	$0.07
Balance, June 30, 2020	3,600,000	$0.05
Granted	4,600,000	$0.13
Exercised	(140,000)	$0.07
Cancelled	(700,000)	$0.12
Balance, June 30, 2021	7,360,000	$0.09

As at June 30, 2021, the Company had stock options outstanding enabling holders to acquire the following:

Number of options	Exercise price per option	Expiry date
250,000	$0.10	September 7, 2021
1,100,000	$0.05	April 3, 2022
400,000	$0.06	May 1, 2023
1,560,000	$0.125	Jul 10, 2023
800,000	$0.12	March 10, 2024
500,000	$0.12	May 31, 2024
1,550,000	$0.05	August 23, 2024
200,000	$0.05	January 15, 2025
1,000,000	$0.135	September 16, 2025
7,360,000		

The weighted average remaining contractual life of options outstanding at June 30, 2021 was 2.50 years (2020 – 3.02 years).

Subsequent to June 30, 2021, 80,000 stock options were exercised for total proceeds of $9,600.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions in the normal course of operations with related parties:

	2021	2020
Management fees	$ 113,000	$ 113,500
Rent	20,700	-
Accounting	16,000	-
Share-based payments	214,250	47,420
	$ 363,950	$ 160,920

Accounts payable and accrued liabilities include $7,674 (2020 - $50,005) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

9. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to manage its capital to be able to sustain the future development of the Company's business.

The Company currently has no source of revenues, and therefore is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended June 30, 2021. The Company is not subject to externally imposed capital requirements.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at major Canadian financial institutions.

The Company's concentration of credit risk and maximum exposure is as follows:

	2021	2020
Cash and cash equivalents	$ 547,426	$ 121,333

The credit risk associated with cash is minimized by ensuring it is placed with a major Canadian financial institution with a strong investment - grade rating issued by a primary ratings agency.

9. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company has insufficient cash to meet its requirements for administrative overhead, to conduct due diligence on mineral property acquisition targets, and to conduct exploration of its mineral properties and mineral properties that may be acquired.

The Company does not generate cash flows from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

- Interest rate risk

  The Company's cash consist primarily of cash held in bank accounts and term deposits with banks. Due to the short-term nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair value as of June 30, 2021. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subject to interest rate risk.

- Foreign currency risk

  During the year ended June 30, 2021 the Company was not exposed to material foreign currency risk.

- Other price risk

  Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, foreign currency risk or commodity price risk. The Company's marketable securities are exposed to other price risk.

(Expressed in Canadian Dollars)

10. INCOME TAXES

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

		2021		2020
Loss before income taxes	$	(886,999)	$	(671,496)
Statutory tax rates		27.00%		27.00%
Recovery based on statutory rates		(239,000)		(181,000)
Non-deductible expenses and other items		92,000		157,000
Change in effective tax rate		-		(56,000)
Change in unrecognized deferred tax assets		147,000		80,000
Deferred income tax recovery	$	-	$	-

The nature and tax effect of the taxable temporary differences giving rise to deferred tax assets and liabilities are summarized as follows:

		2021		2020
Non-capital loss carry-forwards	$	1,420,000	$	1,282,000
Share issuance costs		4,000		8,000
Capital property		13,000		13,000
Mineral property		401,000		391,000
		1,838,000		1,694,000
Offset against deferred tax liabilities		-		-
Unrecognized deferred tax asset		(1,838,000)		(1,694,000)
Deferred tax assets	$	-	$	-

The Company has accumulated Canadian non-capital losses of $5,260,000 up to June 30, 2021 for income tax purposes, which may be deducted in the calculation of taxable income in future years. These losses will expire between the years 2030 to 2041. The Company has US tax losses of $150,000 expiring 2030 to 2039.

11. SUBSEQUENT EVENTS

On July 9, 2021, the Company completed a non-brokered private placement of 1,500,000 units at a price of $0.12 per unit for total proceeds of $180,000 of which it is included in subscriptions received as at June 30, 2021. Each unit consist of one common share and one non-transferable warrant entitling the holder to purchase one common share of the Company at a price of $0.20 per share expiring on July 9, 2024.

On August 5, 2021, the Company granted 1,800,000 stock options to an officer of the Company and consultants exercisable at a price of $0.10 per share expiring on August 31, 2026.

On October 12, 2021, the Company completed a non-brokered private placement of 4,117,000 flow-through units at a price of $0.13 per unit for total proceeds of $535,210. Each unit consist of one flow-through common share and one-half of one common share purchase warrant; each whole warrant entitling the holder to subscribe for and purchase one non-flow-through common share at a price of $0.25 expiring on October 12, 2023.