

FALCO RESOURCES LTD.

ANTI-BRIBERY, ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING POLICY

1. INTRODUCTION

The Board of Directors of Falco Resources Ltd. (the “**Corporation**” or “**Falco**”) has determined that, on the recommendation of the Nominating and Corporate Governance Committee, Falco should formalise its policy on compliance with the anti-bribery and anti-corruption (collectively “**anti-bribery**”) and anti-money laundering (“**anti-money laundering**”) laws by adopting this Anti-Bribery, Anti-Corruption and Anti-Money Laundering Policy (the “**Policy**”).

The Corporation’s Board of Directors is committed to strict compliance with this Policy, fostering a culture of integrity and maintaining high ethical standards throughout the Corporation and with those who act as our representatives.

The Compliance Officer for this Policy is the Corporation’s Vice-President, Legal Affairs and Corporate Secretary of the Corporation and/or such other person designated in writing by the Board of Directors of Falco (the “**Compliance Officer**”).

2. OBJECTIVE OF THE POLICY

Falco is conducting its business in accordance with all laws, rules and regulation applicable to it and the highest ethical standards and takes a zero-tolerance approach to bribery, corruption and money laundering.

The Policy is intended to provide guidance and procedures to Falco personnel and Representatives (as such terms are defined below) for compliance with Canada’s *Corruption of Foreign Public Officials Act* (“**CFPOA**”), the *Canadian Criminal Code* (“**CC**”) and other local laws pertaining to bribery, corruption and money laundering as the Foreign Corrupt Practices Act (USA). Although the CFPOA and the CC are laws of Canada, such laws have extra-territorial application and can therefor apply to Falco anywhere in the world.

This Policy complements the Corporation’s Code of Ethics and the other policies of the Corporation and provides guidelines for compliance with anti-bribery and anti-money laundering laws applicable to the Corporation’s operations wherever conducted. This Policy is not intended to replace any applicable laws.

3. COMPLIANCE

The Corporation’s directors, officers and employees (“**Falco personnel**”), and contractors, agents, consultants and other representatives (“**Representatives**”) are required to take all responsible steps to prevent a violation of this Policy, to identify and raise potential issues as soon as reasonably practicable, and to seek additional guidance when necessary.

The Policy also reflects the standards to which the Corporation expects Falco personnel and Representatives to adhere when acting on the Corporation’s behalf.

All Falco personnel are required to read and acknowledge this Policy. For Representatives, this Policy is posted on the Corporation's website at www.falcores.com. A copy of this Policy has or will be made available to all Falco personnel. Representatives are required to refer to the Corporation's website regularly to keep themselves informed of changes which may be made to this Policy from time to time. A copy of the current version of this Policy may also be obtained at any time from the Corporation's Corporate Secretary.

When conducting business on behalf of the Corporation or otherwise engaged in any activities related to the Corporation or the Corporation business, all Falco personnel and Representatives, in discharging their duties, shall comply with applicable laws and regulations and in particular, with respect to such laws prohibiting bribery, corruption and money laundering and related instruments, rules and regulatory requirements. Where applicable, contractual provisions substantially comparable to those included in **Schedule A** hereto will be included in agreements signed on behalf of the Corporation.

The CFPOA do not require that the conveyance be direct; bribes given through an agent or received by a party other than a Public Official (as defined below) are still prohibited if the ultimate goal is to influence a Public Official by conferring a benefit. Offers or agreements to pay a bribe are sufficient to constitute a violation of the CFPOA, even if the bribe is not accepted, is never actually received, or the objective of the bribe is not achieved. There is no minimum value under the CFPOA, and even things of modest value can trigger a violation.

4. CONSEQUENCE OF NON-COMPLIANCE

Failure to comply with this Policy may result in severe consequences, including internal disciplinary action or possible termination.

Furthermore, if it appears that a Representative may have violated anti-bribery laws and/or anti money-laundering laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment. The Corporation cannot defend or indemnify any individual who intentionally violates or who orders or who knowingly permits a subordinate to violate any anti-bribery laws. If a Falco personnel or Representative is convicted of an anti-bribery law violation, the Corporation cannot protect the person from any punishment that any court may impose.

Definition of Public Official

The CFPOA defines Public Officials ("**foreign public officials**" in the CFPOA) broadly to include any appointed, elected, or honorary official or any employee of a government, of a government-owned or controlled corporation, or of a public international organization. The definition encompasses officials in all branches and at all levels of government: federal, state or local. A person does not cease to be a Public Official by purporting to act in a private capacity, or because he or she serves without compensation.

Public Officials relevant to Falco's business include the following:

- Ministers of the federal, provincial, municipal or other local government, and their staff members;
- Officials or employees of government departments and agencies including environment, natural resources, mines, customs and other regulatory agencies;
- Any employee of a government owned or controlled enterprise;
- Mayors, councillors or other members of municipal government.

5. PREVENTION OF IMPROPER PAYMENT ACTIVITIES

All Falco personnel and Representatives in conducting their business and professional activities must comply with the following:

5.1 Bribes Are Never A Permissible Expenditure

Bribery is the offering, promising or giving of money or anything else of value to influence the decisions of Public Officials to gain a commercial or to obtain or new business or to maintain current business. Bribery can take many forms, including inappropriate gifts and hospitality, travel, sponsorships, charitable or political donations and facilitation or “grease” payments. In addition, poor record keeping can be used to conceal or facilitate bribery. Bribery could also occur when a person agrees to a request or solicitation from a Public Official for such money, benefit or anything else of value. The recipient of a bribe can also be in the private sector. Bribery can also take place where the payment or other type of benefit is made indirectly through a third party, such as an agent, business partner or family member. Another term for a bribe is a “kickback.”

All Falco personnel and all Representatives may never offer, give or promise any kind of bribe or any way improperly obtain or seek to retain any business or any other advantage. This applies to all business dealings with Public Officials or their family members or the private sector and whether the bribe is given directly or indirectly through any Representative.

5.1.1 This Prohibition Applies to Facilitation Payments

A facilitation payment is usually a small unofficial payment or gift, often in cash, made to secure, facilitate or speed-up the performance by a Public Official of a routine or necessary governmental action or process. Typically, the action or process in question is one which the Public Official is already under a duty to perform and to which the payer has a legal or other entitlement. Examples of routine governmental action include actions in relation to obtaining licences, permits, or other official documents to qualify to do business in a country or processing governmental papers, such as visas to cross borders. Facilitation payments are generally requested by an individual and not a government agency, department or other organization. There is no set amount demanded. Payment is hidden. Receipts are usually not issued. Facilitation payments may also be called “facilitating,” “speed” or “grease” payments. Facilitation payments are treated as bribes and are criminally illegal in many countries including Canada and can lead to severe penalties. Unless health, safety, liberty or property is threatened (i.e., extortion and duress), as described below, facilitation payments of any kind or strictly prohibited, even if they are customary business practices or cultural norms in a particular country.

5.1.2 Extortion and Duress Exception

If faced with a situation where a bribe, including a “facilitation” payment, is demanded and your health, safety, liberty or property is in peril, you may feel you have no alternative but to make the payment without receiving approval in order to protect yourself. In these circumstances you may make these “extortion” or “under duress” payments. You should accurately report the circumstances of the payment to the Compliance Officer as soon as possible who shall make a formal report of such payments.

5.2 Permissible Business Expenditures - Travel

It may be permissible on approval by the Compliance Officer to reimburse (or pay for) travel expenses, including transportation, lodging and meals incidental to travel of Public Officials. The expenditures must be for reasonable, legitimate expenses incurred by a Public Official when Falco personnel or Representatives are promoting, explaining, or demonstrating the Corporation's projects or services to them. For example, paying for their meals or reasonable lodging while being physically present at the Corporation's offices may be permissible. Lavish expenses incurred by or for the Public Official are never reasonable. Expenses incurred for side trips, excursions or stop-overs by such Public Officials that are not directly related to a legitimate corporate business purpose cannot be paid or reimbursed by the Corporation under any circumstances. Offering such expenses to a spouse or family member of the Public Official will not be acceptable except in exceptional circumstances and then only on written approval of the Compliance Officer.

5.3 Permissible Business Expenditures - Gifts and Hospitality

The giving of gifts and hospitality is normal business practice unless it is prohibited by the laws of Canada or the anti-bribery or other laws in the country in which it is offered even where gifts and hospitality may be 'the way things are done'. Gifts and hospitality must be directly connected to a legitimate business promotional activity. If they are permitted, gifts and hospitality should never be given to obtain an improper advantage (e.g., as an inducement or to create a sense of obligation on the recipient to provide business or a commercial advantage in return).

When permitted by law and to comply with this Policy, hospitality including meals must be in good taste, reasonable under the circumstances and of modest value. When gifts are given, they must be provided only as a courtesy or token of regard or esteem. Gifts must never be in the form of cash or cash equivalents.

5.4 Political Contributions

Falco personnel and Representatives must not make any contribution or provide any donations or financial support to any political party, other political organization, politician or election candidate for political office or incur any other political expenditure on behalf of the Corporation, except as may be pre-approved by the Compliance Officer. Donations or financial support includes prize donations or purchasing tickets for events such as dinners, speaking engagements or golf tournaments where such funds constitute in full, or part, a political donation.

All approved political contributions must be carefully recorded and transparent.

5.5 Charitable Contributions and Social Benefits

Falco personnel and Representatives may make charitable contributions or other similar contributions on behalf of the Corporation only as may be pre-approved by the Compliance Officer. Reasonable donations to charities may be made on behalf of the Corporation if they are legal under Canadian and any other applicable laws, there is no risk that the donation may be perceived as improper, and, upon obtaining written pre-approval from the Compliance Officer. Prior to making any charitable donation, reasonable legal due diligence must be conducted to make sure that the donation is neither benefiting a Public Official nor violating any anti-bribery laws. A violation can occur when the charitable donation is offered with the intention of improperly influencing official decisions or to gain a commercial or other advantage or when a charitable donation must be made as a condition of receiving a license, or business or other benefits from a government agency or entity.

In this regard, given the nature of the Corporation's business, the Corporation may be asked by governments to contribute to the development of local infrastructure near projects over which the Corporation holds an interest. As part of the Corporation's commitment to corporate responsibility and sustainable development, as a general matter, the Corporation may be favourable to provide such assistance in appropriate circumstances in an appropriate manner. However, such proposed contribution must be carefully examined for legitimacy. For example, if the contributions are tied to government approvals or the infrastructure projects are owned, controlled or tied to Public Officials, then this may raise the perception of a bribe and must be avoided pending further due diligence.

Therefore, each proposed contribution must be carefully examined by the Compliance Officer to ensure that the benefits reach their intended recipients and are not bribes or would not be perceived as bribes.

All charitable contributions or other similar contributions must be carefully recorded and transparent.

5.6 Use or Involvement of Representatives (Agents)

The use of Representatives such as agents or consultants or other third parties is a significant source of bribery risk. While it is not illegal for the Corporation to use Representatives, under anti-bribery laws, the Corporation may be held liable for the acts of its Representatives. If the Corporation decides to engage a Representative, they must be chosen through an effective due diligence assessment, which involves paying special attention to "red flags" that may reveal bribery risks and be subject to a continuous and strict monitoring.

6. MONEY LAUNDERING

Money laundering is the involvement in any transaction or series of transactions that seeks to conceal or disguise the nature or source of proceeds derived from illegal activities, such as drug trafficking, terrorism, organized crime and fraud. Protecting the Corporation from being inadvertently used by money launderers is the responsibility of all Falco personnel and Representatives. Any involvement in money laundering activity, even if inadvertent, could result in potential civil and criminal penalties for the Corporation as well as possible forfeiture of assets. Association with money laundering also could cause significant and long-term harm to the reputation of the Corporation. Accordingly, no Falco personnel or Representative shall take any action to receive or conceal the proceeds of any illegal or improper activity. No Falco personnel or Representative may facilitate or participate in any money laundering activity. Falco personnel shall take all reasonable steps to understand the source of funds it may receive. Where there is a doubt, it may be appropriate to ask questions or conduct due diligence on the source of funds and the identify of those providing such funds. Neither the Corporation, nor any Falco personnel or Representatives shall accept any cash payment without the express written consent of the Compliance Officer. Any Falco personnel or Representative who has any reasonable basis to believe that funds offered to or received by the Corporation or on its behalf are or may be the proceeds of illegal activity shall immediately report the concern to the Compliance Officer and shall not accept or transfer the funds without the express written consent of the Compliance Officer.

7. RECORD-KEEPING

The Corporation shall keep and maintain accurate books and records. All payments made to or by any Representative representing the Corporation must be fairly, accurately and properly recorded and reported and must properly and fairly record the transactions to which they relate. Recording such payments in any way which would conceal their true nature or which is contrary to applicable accounting standards is not permitted. The Corporation complies with standard accounting practices and policies and is required to make and keep books, records and accounts which accurately and fairly reflect all business transactions, assets and liabilities. There must be no “off the books” or secret accounts.

8. REPORTING VIOLATIONS

Any Representative who becomes aware of any action which could constitute a violation of this Policy is required to report such violation to the Compliance Officer at:

Telephone: 1-855-940-2004

E-mail: ethics@falcores.com

Mail: Compliance Officer
Falco Resources Ltd.
1100, Avenue des Canadiens-de-Montréal, Suite 300
Gare Windsor, C.P. 211
Montréal (Québec) H2B 2S2

All communications are also forwarded directly to the Chair of the Audit Committee.

The identity of any Representative filing a report will be treated on a confidential basis and only revealed on a need to know basis or as required by law or court order. The concerned Representative shall be informed of the outcome of any investigation or of any treatment of his/her notice or claim (except in the case of anonymous allegations).

9. ANNUAL REPORTING AND REVIEW THE POLICY

Any non-compliance to the Policy will be reported to the Nominating and Corporate Governance Committee which will be responsible of reviewing this Policy on an annual basis upon management’s recommendation.

10. QUERIES

Any questions about how this Policy should be followed in a particular case shall be directed to the Corporation’s Compliance Officer.

11. CERTIFICATION

Each Falco Personnel will be required to sign and deliver, a certification that they have read, understood and will comply with this Policy in the form attached hereto as **Schedule B**.

Each of the Corporation's Representatives will be required to provide certification that they have read, understood and will comply with this Policy in a form comparable to the form attached **hereto as Schedule B**, taking into account necessary adjustments.

This Policy was approved by the Board of Directors on November 21, 2022 and was last reviewed on September 20, 2023.

SCHEDULE A

ANTI-BRIBERY, ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING PROVISIONS TO BE INCLUDED IN RELEVANT AGREEMENTS

(Form of contractual provisions to be included in agreements signed on behalf of the Corporation)

As used herein, the “Corporation” designates Falco Resources Ltd. Capitalized words not otherwise defined herein shall have the meaning ascribed thereto in the Corporation’s Anti-Bribery, Anti-Corruption and Anti-Money Laundering Policy.

As applicable, every relevant agreement to be signed on behalf of the Corporation shall include the provisions similar the following provisions for the benefit of the Corporation:

- *[The counterpart] acknowledge having received and read a copy of the Anti-Bribery, Anti-Corruption and Anti-Money Laundering Policy of the Corporation (the “Policy”).*
- *[The counterpart] confirms that it has knowledge and understanding of the anti-bribery, anti-corruption and anti-money laundering regulations of [host state], as applicable, and undertakes to comply with same.*
- *[The counterpart] confirms that it has knowledge and understanding of the provisions of the Canadian Corruption of Foreign Public Officials Act and undertakes to comply with same.*
- *[The counterpart] confirms that it shall not make or authorize any payment, promise to pay, gift, reward, advantage or benefit of any kind, directly or indirectly, to a Public Official (as defined in the Policy) in order to influence such person’s act or decision.*
- *[The counterpart] represents and warrants that none of its shareholders, officers, directors or employees is a Public Official (as defined in the Policy) and undertakes to notify the Corporation of any changes in this respect.*
- *Any failure by [the counterpart] to comply with any of the anti-bribery, anti-corruption and anti-money laundering provisions of this Agreement shall entitle the Corporation to terminate this Agreement at its sole discretion without notice or compensation.*
- *At the request of the Corporation, [the counterpart] shall sign an annual certificate relating to the anti-bribery, anti-corruption and anti-money laundering provisions of this Agreement.*

SCHEDULE B

FALCO RESOURCES LTD.

**UNDERTAKING TO COMPLY WITH FALCO'S
ANTI-BRIBERY, ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING POLICY**

I, the undersigned, hereby acknowledge having received and read a copy of the Anti-Bribery, Anti-Corruption and Anti-Money Laundering Policy of Falco Resources Ltd. (the "**Policy**"), and I hereby undertake to comply with its provisions, promote the goals, measures, objectives and principles set forth therein and take all the necessary steps to ensure its application in discharging my duties.

I confirm that since the date of my previous undertaking to comply with the Policy, I have complied with it and that:

I have not been made aware of any violation to the Policy; or

I have not been made aware of any violation to the Policy other than those violations listed in the attached schedule or previously disclosed to the Compliance Officer.

I also undertake to communicate with the Compliance Officer of Falco Resources Ltd. should I have any concerns about a possible breach, by anyone, of the Policy.

I acknowledge that I have received the French version of the Policy, and I elect to be bound by the English version of same. *Je déclare avoir reçu la version française de la Politique, et je choisis d'être lié(e) par la version anglaise de celle-ci.*

Signed at _____, this _____ day of _____, 20__.

Signature

Name (print)