

# FALCO RESOURCES LTD.

## POLICY REGARDING THE DIVERSITY OF THE BOARD OF DIRECTORS

### OBJECTIVE AND SCOPE

Falco Resources Ltd. (the “**Corporation**”) values the benefits that diversity can bring to its board of directors (the “**Board**”). Diversity promotes the inclusion of different perspectives and ideas, mitigates against group think and improves oversight, decision-making and governance. Diversity on the Board also demonstrates the Corporation’s commitment to diversity at all levels within the Corporation.

The Corporation is also committed to fostering an inclusive culture based on merit and free of bias.

At all times, the Corporation seeks to maintain a Board comprised of talented and dedicated directors with a mix of experience, skills and backgrounds collectively reflecting the strategic needs of the business and the nature of the environment in which the Corporation operates. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Corporation will consider candidates using objective criteria having due regard to the benefits of diversity and the needs of the Board.

The Corporation aspires to have and maintain at least thirty percent (30%) of women representation on the Board of the Corporation. The Board has not adopted formal targets for each of the other “designated groups” as defined in the *Employment Equity Act*, as the Board considers the representation of the “designated groups” in the process of selecting individual candidates.

### DEFINITION

“**Diversity Criteria**” means certain characteristics that will be considered as part of the nomination process, including, without limitation, professional experience, skills, geographic background, age, gender, ethnicity, First Nation Community, abilities and disabilities and other characteristics of the communities in which the Corporation operates.

### THE PURPOSE OF THE POLICY

For purposes of this Policy regarding diversity of the Board of Directors (the “**Policy**”), the Board is required to report annually to shareholders on the diversity of its members, including the number and percentage of women directors and the number and percentage of directors who are members of other “designated groups”.

With a view to enhancing Board diversity, the Nominating and Corporate Governance Committee (the “**NCG Committee**”) will be guided by the following principles when recommending nominees for appointment to the Board:

- All candidates who are highly qualified based on their experience, expertise, skills and qualities; and

- Candidates will be evaluated based upon their expertise with reference to skills identified as required by the Board in accordance with the director skills matrix.

## **GENERAL PRINCIPLES**

The Corporation believes that diversity enriches discussions among directors and better reflects the Corporation's relationship with all of its stakeholders. Furthermore, the Corporation believes promotion of diversity is best served through careful consideration of all of the knowledge, experience, skills and backgrounds of each individual candidate for director in light of the needs of the Board without focusing on a single diversity characteristic and, accordingly, has not adopted specific Board diversity goals other than the gender representation target.

When assessing the composition of the Board, the principal focus is on ensuring that the Board has the diverse experiences, skills and backgrounds needed to oversee collectively the business of the Corporation. The Committee takes a balanced approach when considering the extent to which personal characteristics are taken into account to ensure the Board can fulfill its role in all respects.

## **POLICY REVIEW**

The NCG Committee will annually assess the effectiveness of this Policy and will report to the Board and thereon make recommendations to the Board for revision, if necessary. The Committee shall review this Policy and recommend to the Board any changes it sees fit to achieve the targets set out in this Policy.

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*This Policy was adopted by the Board of Directors on May 27, 2020 and was last reviewed on September 20, 2023.*