



HORNE 5 PROJECT

Corporate Presentation

May 2021

CAUTIONARY STATEMENT

This presentation contains forward-looking statements and forward-looking information (together, “forward-looking statements”) within the meaning of applicable securities laws. These statements are based on information currently available to the Corporation and the Corporation provides no assurance that actual results will meet management’s expectations. Forward-looking statements include estimates and statements that describe the Corporation’s future plans, objectives or goals, including words to the effect that the Corporation or management expects a stated condition or result to occur. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as “plans”, “expects”, “estimates”, “intends”, “anticipates”, “believes” or variations of such words, or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will be taken”, “occur” or “be achieved” and includes, without limitation, statements regarding the projections and assumptions of the Updated Feasibility Study, including, without limitation: NPV; IRR; CAPEX; OPEX; estimated cash costs and estimated AISC; LOM; payback period; LOM; post-tax net cash flow; gross revenues; margins; exchange rates; inflation; recoveries; grades; processing rates; potential production from the Horne 5 Property as envisioned by the mine plan; economic assumptions and sensitivities and other operational and economic projections with respect to the Horne 5 Project as well as maintaining social acceptability for the Horne 5 Project and the timely obtaining, as the case may be, by Falco of all required licenses, rights of way and surface rights from third parties owner of infrastructures or rights necessary to perform the activities contemplated in this presentation on terms and conditions acceptable to the Corporation. Mineral resource and mineral reserves estimates are also forward-looking statements because use such estimates involve estimates of mineralization that may be encountered in the future if a production decision is made, as well as estimates of future costs and values.

Although the Corporation believes the forward-looking statements in this presentation are reasonable, it can give no assurance that the expectations and assumptions in such statements will prove to be correct. Consequently, the Corporation cautions investors that any forward-looking statements by the Corporation are not guarantees of future results or performance and that actual results may differ materially from those in forward-looking statements.

The forward-looking statements contained herein is subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: the effects of general economic conditions; changing foreign exchange rates; risks associated with exploration and project development; the calculation of mineral resources and reserves; risks related to fluctuations in metal prices; uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work arising from weather, logistical, technical or other factors; the possibility that results of work will not fulfill expectations and realize the perceived potential of the Corporation’s properties; risk of accidents, equipment breakdowns and labour disputes; access to project funding or other unanticipated difficulties or interruptions; the possibility of cost overruns or unanticipated expenses in the work program; title matters; government regulation; obtaining and receiving necessary licenses; the risk of environmental contamination or damage resulting from Falco’s operations and other risks and uncertainties including those described in the Corporation’s Annual Information Form dated February 16, 2021, MD&A and Financial Statements for the three-month and six-month period dated December 31, 2020, dated February 25, 2021 available at www.sedar.com.

The forward-looking statements contained in this presentation are based on the beliefs, estimates and opinions of Falco’s management on the date the statements are made. Although Falco has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation is under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

INTRODUCTION

- ✓ The Horne 5 Project is a world-class deposit of over 6 Million ounces equivalent contained
- ✓ Initial investment of \$1 Billion
- ✓ Creation of more than 800 jobs during construction and 500 direct jobs for the operation
- ✓ Project with low operating costs (<US\$600/oz) in the first quartile of the world
- ✓ Maximization of new technologies (teleoperation, automation, etc.)
- ✓ Project in line with the Government of Quebec's strategy for the electrification of transport
- ✓ The benchmark for the mining industry in operational efficiency and in the application of recognized ESG standards

LEADERSHIP TEAM



Luc Lessard
President, Chief
Executive Officer
and Director

Anthony Glavac
Chief Financial Officer

Ronald Bougie
VP, Engineering &
Construction

François Vézina
VP, Technical
Services

Christian Laroche
VP, Metallurgy

Hélène Cartier
VP, Environment &
Sustainable
Development

André Le Bel
VP, Legal Affairs &
Corporate Secretary

- ✓ Experienced development team with strong track record
- ✓ Successful developers and mine builders of Canadian Malartic (Canada's largest gold mine)

BOARD OF DIRECTORS



Bryan A. Coates



Luc Lessard



Mario Caron



Paola Farnesi



Chantal Sorel



Alexander Dann

STRONG PARTNERS



**Silver stream agreement
(up to \$180M)**

**Extension to the maturity
of senior secured loan of
24 months (\$17.6M)**



**Major shareholder
(18.2%)**

GLENCORE

**C\$10 million financing from
Glencore to complete the
Work Plan**

**LOM Cu/Zn concentrate
agreements**

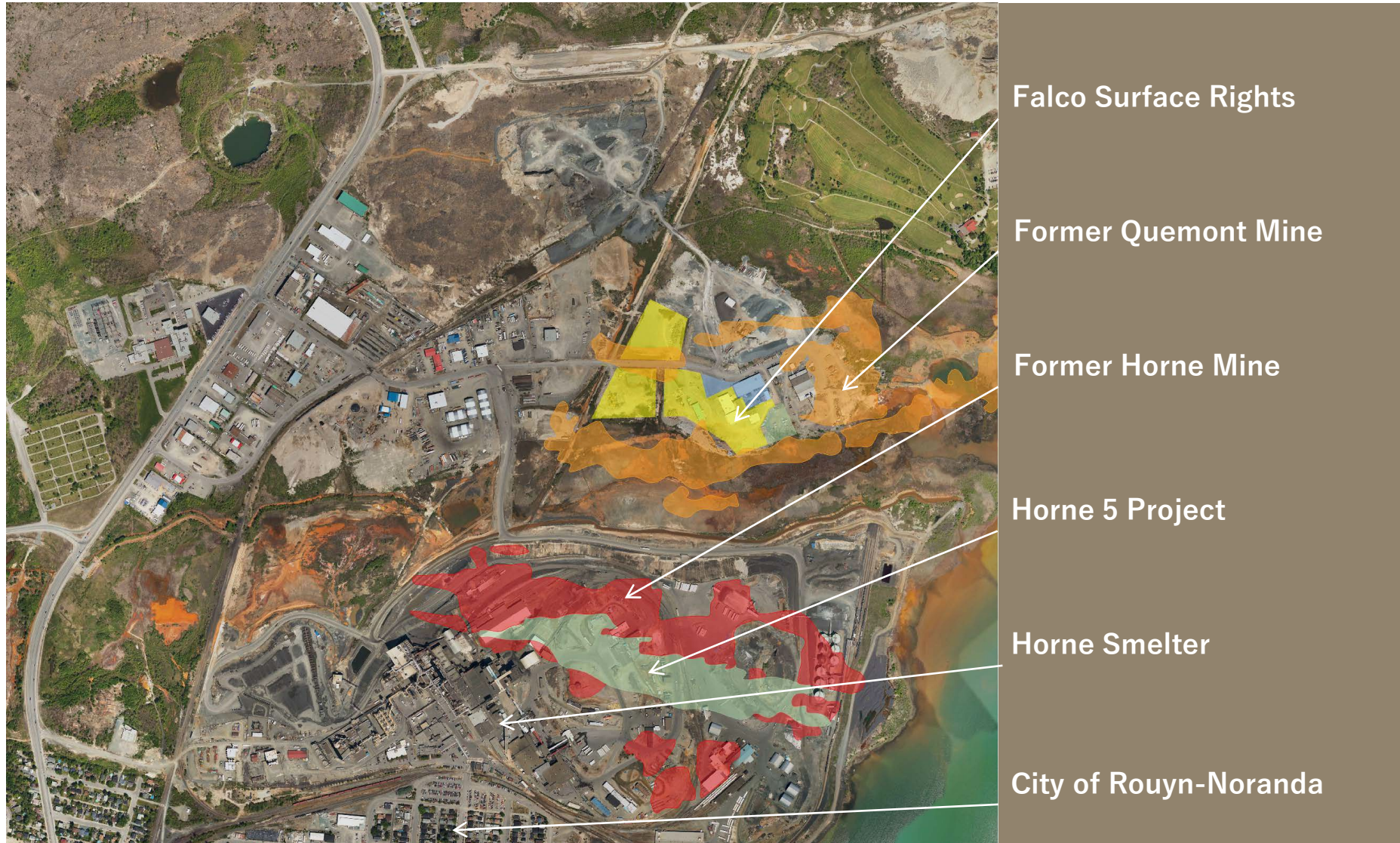
**2% royalty through BaseCore
(Glencore 50%/Teachers 50%)**



Shareholder (5%)

**Supporter of responsible
mineral development in
Québec**

PROJECT LOCATION



WORLD-CLASS PROJECT

Continuity of operation
of the Horne Mine

Horne Past Production:

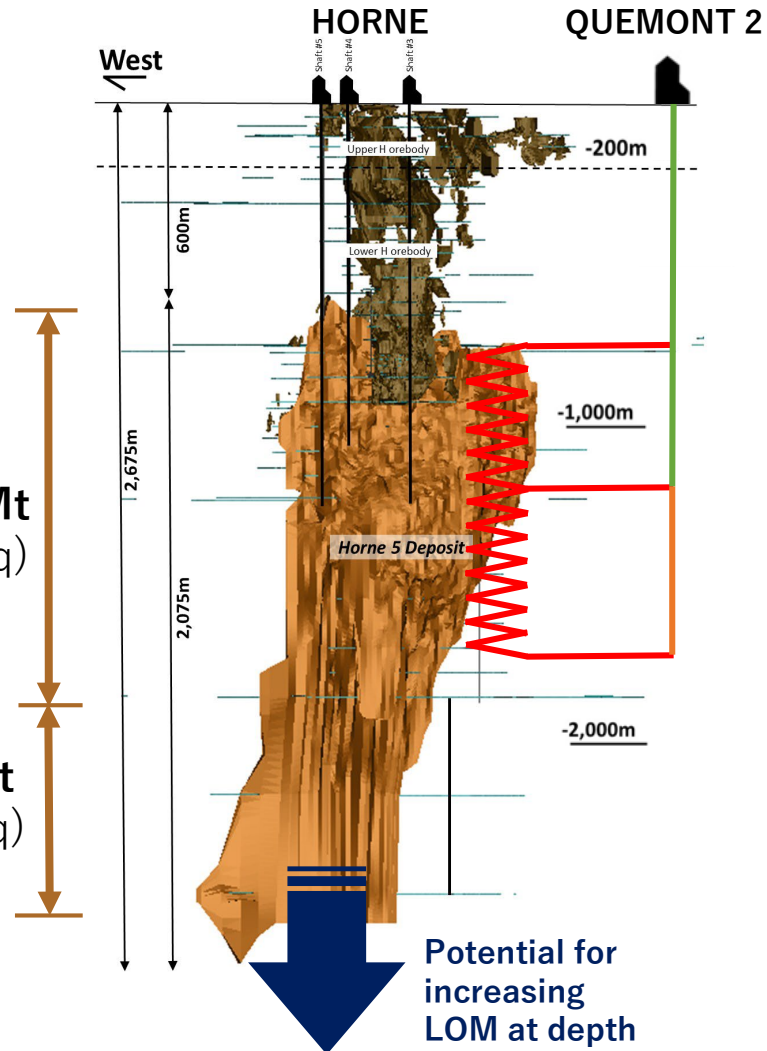
- 53.7 Mt at 6.1 g/t Au
- 13 g/t Ag
- 2.22 % Cu

For 11 M oz Au and 2.5 B lbs Cu

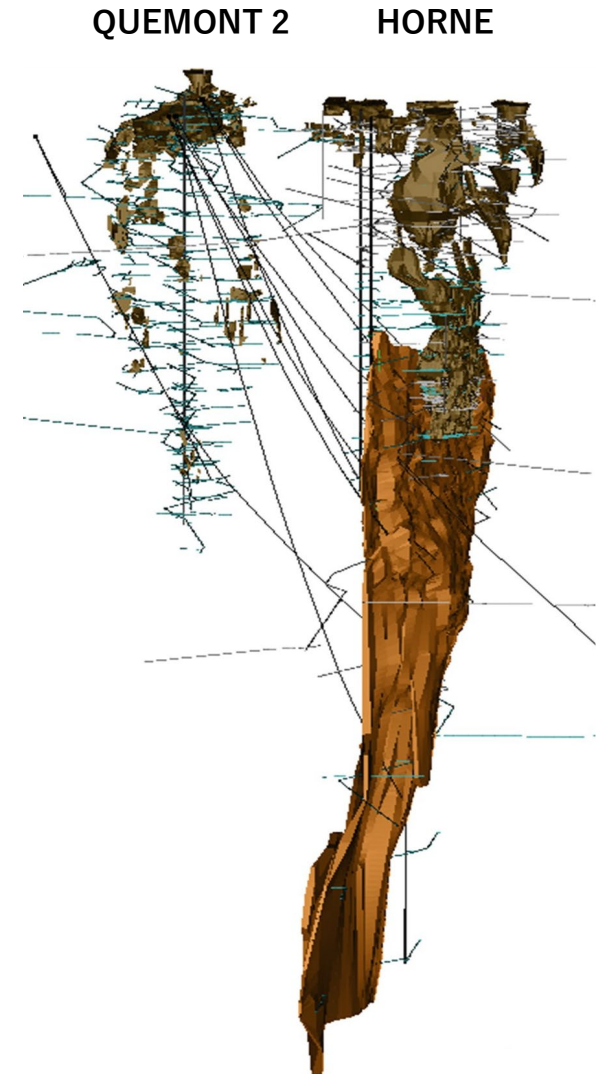
Mining Reserves: 80 Mt
(2.3 g/t Au Eq)

Inferred Resources: ± 21.5 Mt
(2.51 g/t Au Eq)

LONGITUDINAL



TRANSVERSAL



MINERAL RESERVES AND RESOURCES

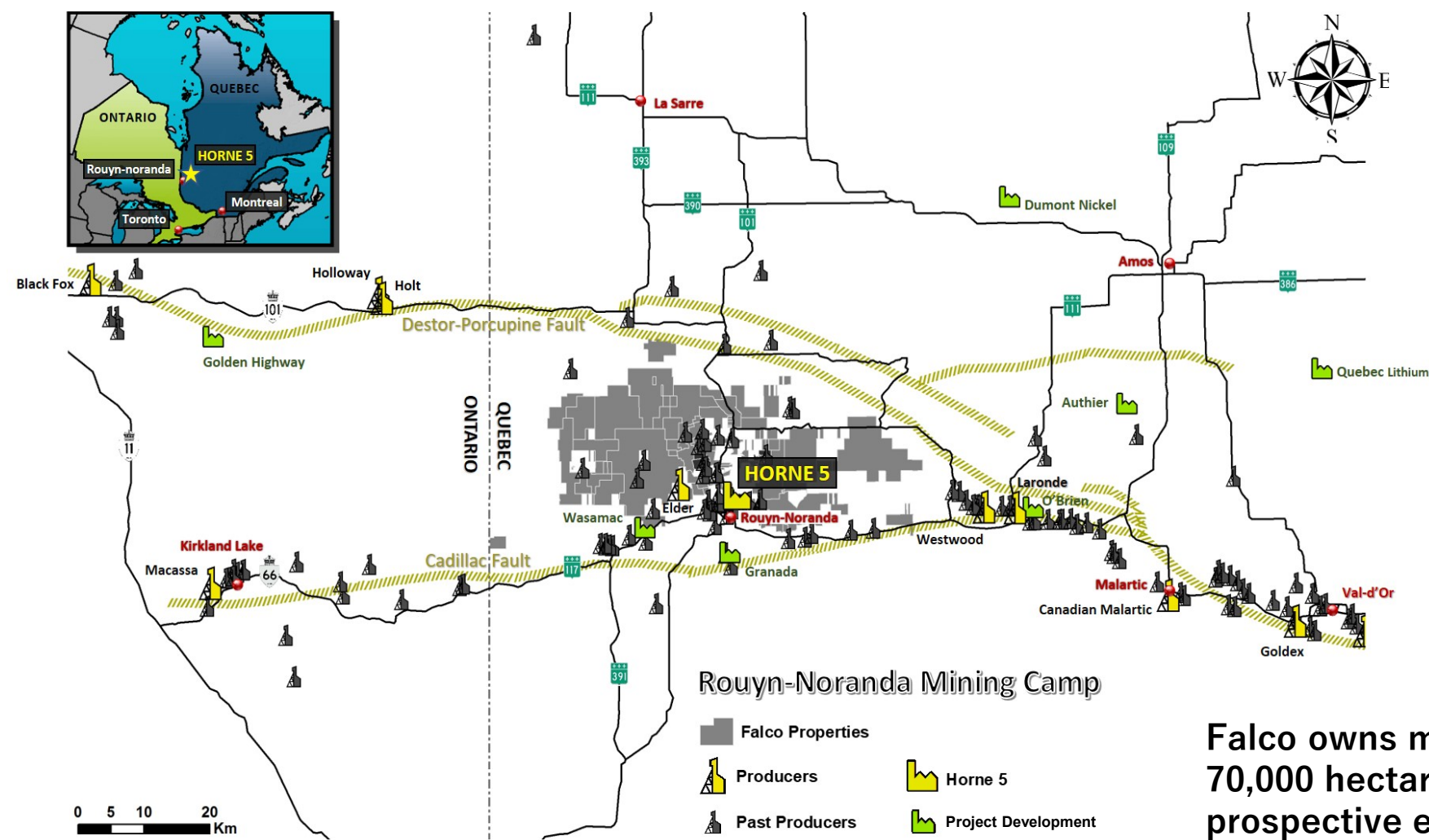
MINERAL RESERVES

	Tonnes (Mt)	Au Eq. (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Contained Au Eq. (koz)	Contained Au (koz)	Contained Ag (koz)	Contained Cu (Mlbs)	Contained Zn (Mlbs)
Proven	8.4	2.34	1.41	15.75	0.17	0.75	636	384	4,272	31.4	139.6
Probable	72.5	2.36	1.44	13.98	0.17	0.78	5,503	3,359	32,557	270.9	1,242.3
Total P&P	80.9	2.36	1.44	14.17	0.17	0.78	6,139	3,740	36,829	302.3	1,381.9

MINERAL RESOURCES (AT C\$55 NSR CUT-OFF)

	Tonnes (Mt)	Au Eq. (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Contained Au Eq. (koz)	Contained Au (koz)	Contained Ag (koz)	Contained Cu (Mlbs)	Contained Zn (Mlbs)
Measured	9.3	2.59	1.58	16.20	0.19	0.83	770	470	4,824	38.0	168.5
Indicated	81.9	2.56	1.55	14.74	0.18	0.89	6,731	4,070	38,796	325.4	1,599.3
Total M&I	91.2	2.56	1.55	14.89	0.18	0.88	7,501	4,540	43,620	363.4	1,767.8
Inferred	21.5	2.51	1.44	23.04	0.20	0.71	1,736	1,000	15,925	96.3	337.2

PROLIFIC LAND PACKAGE



Falco owns more than 70,000 hectares of prospective exploration ground around the historic Horne mine

COMMUNITY & ENVIRONMENT

- ✓ Over the past five years, Falco has maintained dialogue with the project stakeholders
- ✓ Strong support from the host community for the Horne 5 Project development
- ✓ Consultative committee, a voice for the community
- ✓ Public information meetings on environmental impacts and mitigation measures
- ✓ Rouyn-Noranda is a world-class mining community has a rich history of mining since 1923



COMMUNITY IMPLICATIONS

- ✓ Rouyn-Noranda now benefits from a new school and sports infrastructure following the relocation by Falco of the Quemont Polymétier Pavilion
- ✓ In collaboration with the municipality, Falco will participate in the relocation and construction of a new eco-center
- ✓ A legacy of nearly \$25 million to the community of Rouyn-Noranda

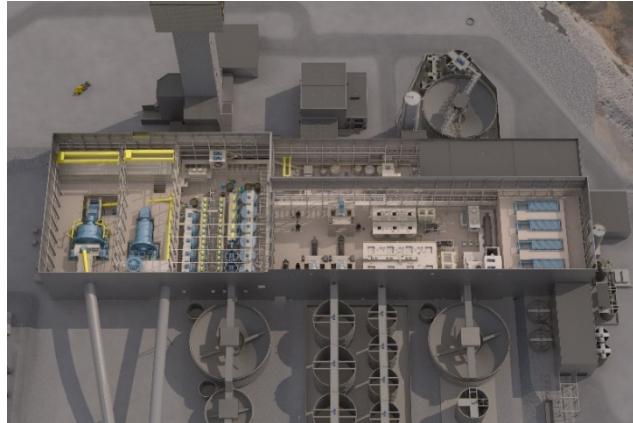
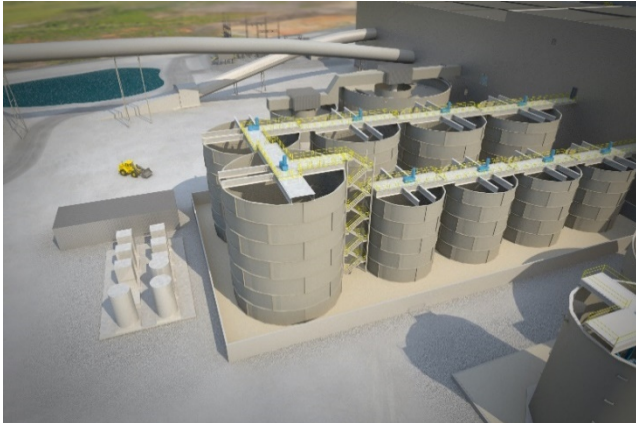
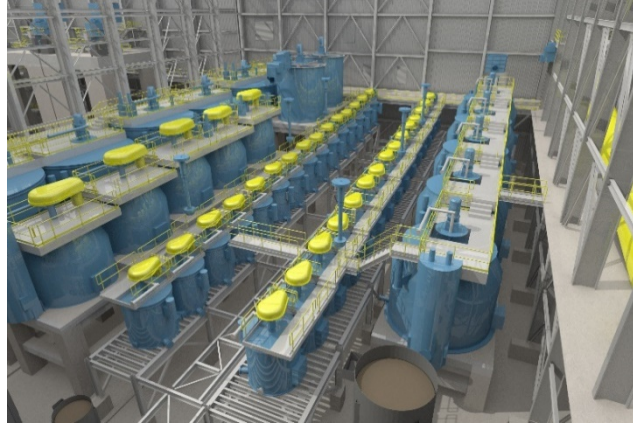
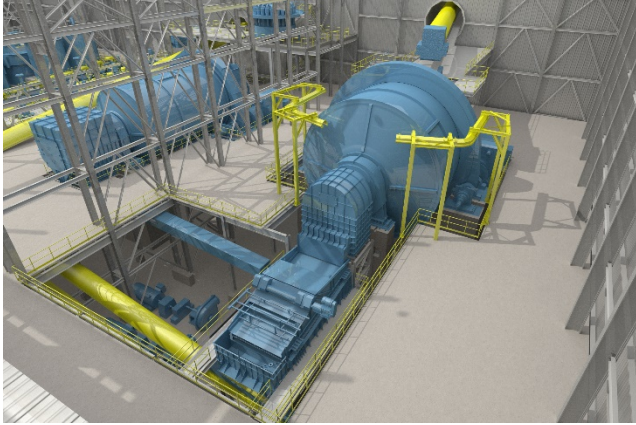


MINING



- **Ore body specifications**
 - Vertical and massive deposit
 - Low-grade
 - Transverse long-hole stopping
 - Exceptional rock quality
 - Very low dilution level (<3%)
- **Depth**
 - 650 m to 2,000 m from the surface
- **Opportunity for using the latest technologies**
 - Remote operation, automation, robotics, AI & electric vehicles to enhance productivity, equipment availability, safety and talent management
- **Two phases of stope development**
 - Phase I: using the existing Quemont shaft
 - Phase II: requires the deepening of the Quemont shaft
- **Requires dewatering of the historical mine (11 M m³)**

PROCESSING



- Mill throughput: $\pm 16,000$ tpd
- Primary - secondary grinding
- Cyclone/flotation circuit
 - Copper concentrate at 16% Cu (± 130 tpd)
 - 40% of gold / 32% of silver recoverable
 - Zinc concentrate at 52% Zn (± 200 tpd)
 - Pyrite concentrate
 - 50% of gold / 43% of silver recoverable in doré bar
- Pyrite concentrate regrinding circuit (± 10 microns)
- Tank leaching
- Carbon in pulp
- Elution and refining (silver-gold doré bar)
- Cyanide destruction circuit
- Tailing disposal
 - Underground: paste/hydraulic backfill
 - Surface: thickened tailings (historical Norbec Site)

PROGRESS SINCE THE 2017 FEASIBILITY STUDY

2017

- Publication of the original Feasibility Study
 - Beginning of discussions with Glencore to develop the relationship and de-risk the Horne 5 Project going forward
-

2018

- Filing the EIA with Québec Government
 - C\$180 million silver stream financing with Osisko Gold Royalties
 - General project overview with Glencore to align both companies' interests
-

2019

- Commencement of an extensive drilling program to locate, inspect and analyze the historical Quemont crown pillars within the vicinity of the Horne 5 Project and Horne Smelter
-

2020

- Exhaustive due diligence process
- C\$10 million financing from Glencore to complete the Work Plan
- LOM Cu/Zn concentrate offtake agreements with Glencore
- Initiation of the Horne 5 Project Feasibility Study Update with all Qualified Persons (BBA, Golder, WSP, InnovExplo, SNC-Lavalin (Stavibel), Rivval)

UPDATED FEASIBILITY STUDY

HIGHLIGHTS

- 26% increase in NPV_{5%} after-tax (US\$602 million to US\$761 million)
- 25% improvement on the IRR after-tax (15.3% to 18.9%)
- Robust economics based on the *base case* commodity prices
- AISC of US\$587/oz generates a significant profit margin to *base case* commodity prices
- Project capital costs increased slightly (5%) from US\$802 million to US\$844 million and include all project cost-saving strategies offset by any cost escalation over the last three years
- Project operating costs increased slightly (5%) from C\$41/tonne milled to C\$43.11/tonne milled

KEY UPDATED ELEMENTS

- Capital costs
- Operating costs
- Project execution schedule
- Integration of the Osisko Gold Royalties silver stream agreement
- Integration of the LOM Cu/Zn concentrate offtake agreements with Glencore
- Long-term commodity prices (precious metals and base metals)

No changes to the mining reserves calculation, the mine plan and the metallurgical process

Conservative mining reserves by maintaining 2017 commodity prices assumptions

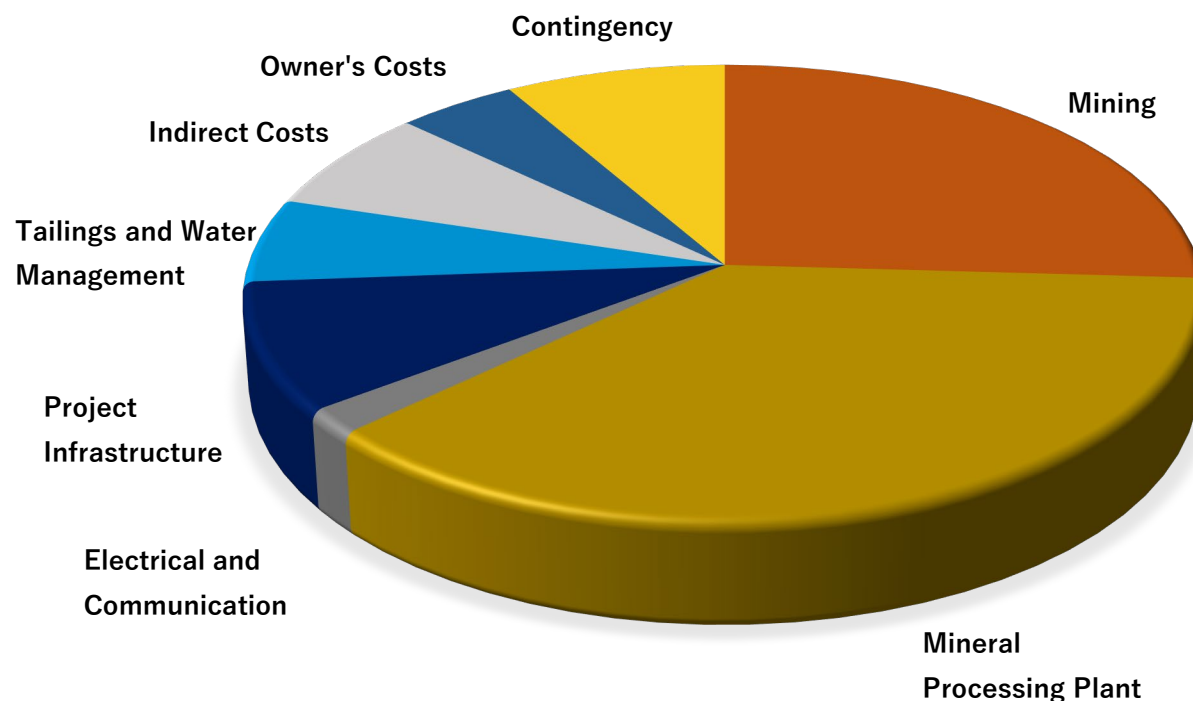
COMPARISON BETWEEN 2017 FS AND 2021 UFS

		UNIT	2017 FS	2021 UFS	SPOT (April 30, 2021)
DEPOSIT	Reserves	M tonnes	80	80	80
	Average Grade	g/t Au Eq	2.37	2.24	2.33
	Life Of Mine	Years	15	15	15
	Annual Production (Payable)	Oz Au	220,000	220,000	220,000
COMMODITY PRICES	Gold	US\$/ounce	\$1,300	\$1,600	\$1,782
	Silver	US\$/ounce	\$19.50	\$21.00	\$26.24
	Copper	US\$/pound	\$3.00	\$3.20	\$4.48
	Zinc	US\$/pound	\$1.10	\$1.15	\$1.31
	Exchange Rate	C\$1.00 =	US\$0.78	US\$0.78	US\$0.80
ECONOMICS	NPV _{5%} After-Tax	US\$M	\$602	\$761	\$1,088
	IRR After-Tax	%	15.3%	18.9%	23.60%
	AISC (net of by-products credits and royalties)	US\$/oz Au	\$399	\$587	\$469
	All-in Cost (Capex & Opex)	US\$/oz Au	\$643	\$842	\$731
	Operating Costs per tonnes milled	C\$/tonne	\$41.00	\$43.11	\$43.11
	Pay-Back	Years	5.6	4.8	4.0
	Pre-Production Costs	US\$M	\$802	\$844	\$864
	Production Start	Year	2022	End of 2025	End of 2025

UFS - PRE-PRODUCTION CAPITAL COSTS (US\$ M)

	2017 FS	2021 UFS
Mining	200.4	218.7
Mineral Processing Plant	296.0	313.0
Electrical and Communication	14.2	15.0
Project Infrastructure	76.9	76.6
Tailings and Water Management	53.0	50.1
Indirect Costs	65.9	61.3
Owner's Costs	36.8	38.7
Subtotal	743.2	773.4
Contingency	58.5	70.8
Total	801.7	844.2

PRE-PRODUCTION CAPITAL COSTS
2021 UFS



OPERATING COSTS (US\$/oz)

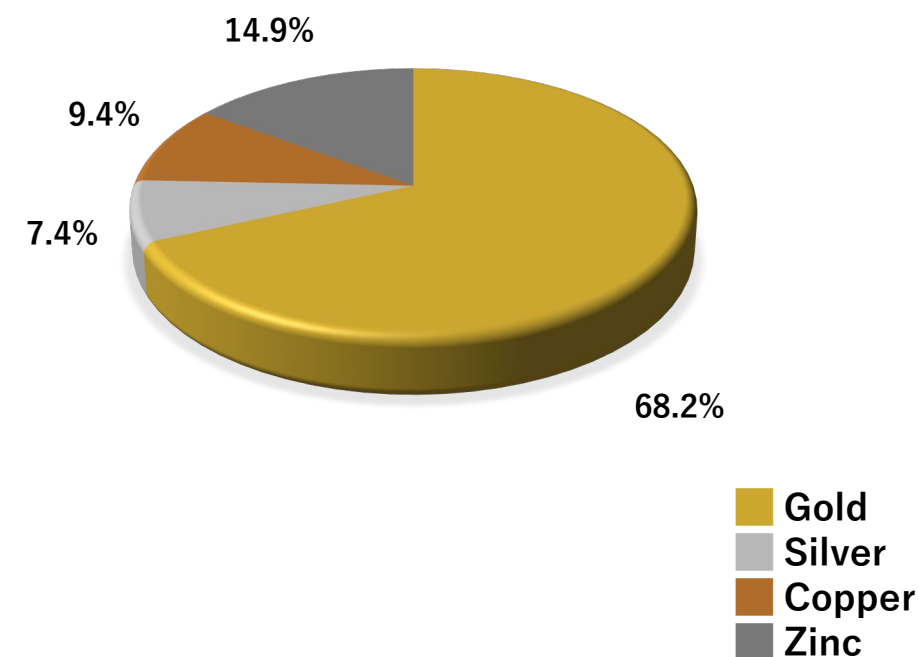
	2017 FS	2021 UFS	2021 UFS <i>Adjusted for Spot Commodity Prices and Spot Exchange Rate April 30, 2021</i>
Mining	241	235	241
Processing	392	420	431
Tailings & Water Management	97	114	116
General Administration	55	56	57
Smelting and Refining	150	159	160
Royalties	37	44	51
By-Product Credit	(710)	(621)	(772)
Sustaining	127	159	163
Closure	10	21	21
AISC	399	587	469
Pre-Production Cost	243	255	262
All-In Cost	642	842	731

PAYABLE METAL VALUE SPLIT

COMMODITY	UNIT	2017 FS	2021 UFS	SPOT PRICES APRIL 30, 2021
Gold	US\$/oz	1,300	1,600	1,782
Silver	US\$/oz	19.50	21.00	26.24
Copper	US\$/lb	3.00	3.20	4.48
Zinc	US\$/lb	1.10	1.15	1.31
FX	US\$1.00 =	C\$1.28	C\$1.28	C\$1.25

COMMODITY	UNIT	2017 FS	2021 UFS	SPOT PRICES APRIL 30, 2021
Gold	%	67%	68.2%	65.8%
Silver	%	8%	7.4%	8%
Copper	%	10%	9.4%	11.5%
Zinc	%	15%	14.9%	14.7%

PAYABLE METAL VALUE SPLIT 2021 UFS



**THE HORNE 5 PROJECT IS A
GOLD PROJECT WITH BASE
METAL BY-PRODUCTS**

SENSITIVITIES

Au

Gold Price US\$/oz	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700	\$1,800	\$1,900	\$2,000
Pre-Tax NPV _{5%} US\$M	706	897	1,088	1,279	1,470	1,661	1,852	2,043
After-Tax NPV _{5%} US\$M	405	526	645	761	875	989	1,101	1,213
Pre-Tax IRR	15.8%	18.3%	20.7%	23.0%	25.2%	27.4%	29.5%	31.6%
After-Tax IRR	12.8%	14.9%	17.0%	18.9%	20.7%	22.5%	24.2%	25.8%
Pre-Tax Payback Years	6.2	5.5	5.1	4.6	4.2	3.9	3.6	3.4
After-Tax Payback Years	6.3	5.7	5.2	4.8	4.5	4.2	3.9	3.7

Cu

Copper Price US\$/lb	\$2.50	\$2.75	\$3.00	\$3.20	\$3.50	\$3.75	\$4.00	\$4.50
Pre-Tax NPV _{5%} US\$M	1,189	1,221	1,253	1,279	1,318	1,350	1,382	1,447
After-Tax NPV _{5%} US\$M	707	726	746	761	784	803	822	861
Pre-Tax IRR	22.0%	22.3%	22.7%	23.0%	23.4%	23.8%	24.1%	24.9%
After-Tax IRR	18.0%	18.3%	18.6%	18.9%	19.2%	19.5%	19.8%	20.4%
Pre-Tax Payback Years	4.8	4.7	4.6	4.6	4.5	4.5	4.4	4.3
After-Tax Payback Years	5.0	4.9	4.9	4.8	4.8	4.7	4.6	4.5

Zn

Zinc Price US\$/lb	\$0.90	\$1.00	\$1.10	\$1.15	\$1.20	\$1.30	\$1.40	\$1.50
Pre-Tax NPV _{5%} US\$M	1,129	1,189	1,249	1,279	1,309	1,369	1,430	1,490
After-Tax NPV _{5%} US\$M	669	706	743	761	779	815	852	888
Pre-Tax IRR	21.0%	21.8%	22.6%	23.0%	23.4%	24.2%	24.9%	25.7%
After-Tax IRR	17.3%	17.9%	18.6%	18.9%	19.2%	19.8%	20.5%	21.1%
Pre-Tax Payback Years	5.0	4.8	4.7	4.6	4.5	4.4	4.2	4.1
After-Tax Payback Years	5.2	5.0	4.9	4.8	4.7	4.6	4.5	4.4

THE QUÉBEC ADVANTAGE



- ✓ Access to low cost green hydro-electric energy
- ✓ Well established regulatory and permitting frameworks
- ✓ Fair and stable taxation system
- ✓ Strong collaborative efforts between governments and mining industry to support mine development
- ✓ Qualified mining labor expertise
- ✓ Strong network of mining suppliers and contractors

ALIGNMENT OF INTERESTS WITH GLENCORE

- ✓ Ongoing discussion over past three years
- ✓ Extensive project due diligence completed by Glencore
- ✓ Significant feed for Glencore smelting facilities
- ✓ Strong benefits for Rouyn-Noranda and Québec
 - Horne 5 will become the #1 upstream mining producer of Cu in Québec
 - Fully integrated to Québec electrification of transportation business model

Press Release: “Falco Enters Into Agreements With Glencore” October 27, 2020

“We are pleased to enter into these agreements in order to further align our interests with Falco. While there remains significant work to be done and challenges to be addressed, Glencore Canada is committed to working with all stakeholders towards creating the winning conditions necessary for the further development of the Horne 5 Project and of the fully integrated copper industry in Quebec, an industry vital to the transition towards the electrification of transportation.”

- Marc Bédard, Glencore Global Head of Copper Metallurgical Operations

MILESTONE AGREEMENTS

\$10M convertible debt agreement

- Use of proceeds: further technical work, de-risk project and negotiate Principal Operating License and Indemnity Agreement
- 12 month maturity, with right to extend by six months
- Interest at 7%, compounded quarterly
- Convertible at \$0.41 (24.4M common shares of the Company)
- 12.2M Warrants exercisable at \$0.51

Zn and Cu concentrate offtake agreement

- Life of mine agreements
- 40k-60k metric tonnes per year of Cu con. (16% Cu)
- 60k-90k metric tonnes per year of Zn con. (52% Zn)
- The commercial terms are reflected in the UFS

2% royalty through BaseCore

GLENCORE WORK PROGRAM

Glencore approved and financed the Work Plan proposed by Falco including technical studies, and possible synergies with the Horne Smelter.



WORK PROGRAM

- Inspection
- Instrumentation
- Water monitoring
- Characterisation
- Modelisation
- Geotechnical analysis
- Mitigation measures

NEAR TERM OBJECTIVES



- ✓ Complete the Work Plan with Glencore
- ✓ Continue the negotiation with Glencore on the Principal Operating License and Indemnity Agreement
- ✓ Complete the EIA following the Work Plan completion
- ✓ Initiate the construction of dewatering infrastructure in H2 2021/H1 2022
- ✓ Secure authorization from MELCC to initiate public hearing process (*BAPE*)
- ✓ Complete financing package for the Horne 5 Project development

CONTACT US



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