

FALCO RESOURCES LTD.

POLICY REGARDING DIVERSITY IN CORPORATE TALENT

OBJECTIVE AND SCOPE

Falco Resources Ltd. (the “**Corporation**”) is of the view that candidate selection should be based on merit and remains committed to selecting the most qualified and talented person to fulfill each position within the organization. At the same time, the Corporation recognizes that Diversity (as defined below) is important to ensure that the profiles of its team provide the necessary range of perspectives, skills, experience and expertise required to achieve corporate objectives.

In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to the Corporation’s success. By bringing together individuals from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives in an inclusive workplace, the Corporation believes that it is better able to develop solutions to challenges and deliver sustainable value for the Corporation and its stakeholders. The Corporation considers Diversity (as defined below) to be an important attribute of a well-functioning company, which will assist the Corporation to achieve its long-term goals.

The purpose of this Policy regarding diversity in corporate talent (the “**Policy**”) is to communicate the importance the Corporation places on Diversity within its organization. The Corporation is committed to fostering an inclusive culture based on merit and free of conscious or unconscious bias.

DEFINITION

“**Designated Group**” means women, Aboriginal peoples (First Nations, Inuit and Metis peoples), persons with disabilities and Members of Visible Minorities.

“**Diversity**” means any dimension that can be used to differentiate groups and people from one another and it means the respect for and appreciation of the differences in certain characteristics, including, without limitation, professional experience, skills, geographic background, age, gender, religion, marital status, ethnicity, national origin, abilities and disabilities and other characteristics of the communities in which the Corporation operates.

“**Members of Visible Minorities**” means persons, other than Aboriginal peoples, who are non-Caucasian in race and non-white in colour.

“**Senior Management**” means any of the following individuals: the Chair and Vice-Chair of the Board of Directors, the President and Chief Executive Officer, the Chief Financial Officer, the Vice-Presidents of the Corporation and any individual who performs a policy-making function within the Corporation.

STRATEGY

The Corporation believes that Diversity enriches discussions and performance of its team in the pursuit of its short and long-term corporate objectives. 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 Senior Management roles in light of the needs of the Corporation without focusing on a single Diversity characteristic and, accordingly, has not adopted specific corporate talent Diversity goals other than the gender representation target. As part of its strategy to recruit and maintain a diversified organization, the Corporation will:

- Promote Diversity within its team, with particular emphasis on gender Diversity;
- Promote the contribution of women and other members of the Designated Groups to the success of the organization;
- Assist in the development of women and other members of the Designated Groups within the organization through training, inside sponsorship and outside mentoring;
- Ensure that, for every open position within the Corporation, at least one female be considered as a potential candidate;
- Encourage an awareness in all staff of their rights and responsibilities with regard to fairness, equity and respect for all aspects of Diversity;
- Actively participate in internal and external initiatives to promote Diversity in its industry with specific focus on gender diversity; and
- Provide work environment that accommodates family and work life balance, while maintaining a high achievement culture.

SPECIFIC TARGET

The Corporation will aim to have 25% of Senior Management roles being held by women.

REPORTING

Senior Management will report annually to the Compensation Committee (the “**Committee**”) on its Diversity initiatives, including:

- i. Gender distribution of the employees;
- ii. Senior Management roles held by members of the Designated Groups;
- iii. Corporate participation on initiatives (internal and external) to promote Diversity; and
- iv. Current trends in Diversity practices.

The Corporation will also report externally on its performance in the application of this Policy.

POLICY REVIEW

This Policy will be reviewed annually by the Compensation Committee.

This Policy was adopted by the Board of Directors on September 28, 2020 and was last reviewed and amended on November 21, 2022.