

# Falco Resources Limited: Announces Extension of Its Senior Debts

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[Falco Resources Ltd.](#) (TSX.V: FPC) ("Falco" or the "Corporation") is pleased to announce that the Corporation has entered into binding agreements (i) with [Osisko Gold Royalties Ltd.](#) ("Osisko") in order to extend the maturity date of the Corporation's existing convertible secured senior loan (the "Osisko Loan") from December 31, 2024 to December 31, 2025; and (ii) with Glencore Canada Corporation ("Glencore") in order to extend the maturity date of the Corporation's existing senior secured convertible debenture (the "Glencore Debenture") from December 31, 2024 to December 31, 2025.

Luc Lessard, President and Chief Executive Officer of the Corporation commented: *"The concurrent extensions of the Corporation's senior debts demonstrate the strong relationship and long-standing support of Osisko and Glencore to Falco and the development of the Horne 5 Project. Such extensions provide the Corporation with additional flexibility to pursue the permitting and development of this project".*

## *Amendments to the Osisko Loan*

In consideration for the extension of the maturity date of the Osisko Loan, the Osisko Loan will also be amended effective as of December 31, 2024 in order for (i) the accrued interest on the existing Osisko Loan to be capitalized such that the principal amount of the amended Osisko Loan will be approximately \$23,881,821, (ii) the conversion price to be lowered from \$0.50 to \$0.45 per Common Share, and (iii) the interest rate to be increased from 8% to 9% (collectively, the "Osisko Loan Amendments"). The 10,664,324 warrants of the Corporation currently held by Osisko (the "Existing Osisko Warrants"), each exercisable for one common share of Falco (the "Common Shares") at an exercise price of \$0.65 per Common Share, will remain outstanding in accordance with their terms until their expiry on December 31, 2024. In consideration for the extension of the maturity date of the Osisko Loan, the Corporation will issue to Osisko, on December 31, 2024, 17,690,237 warrants (the "New Osisko Warrants"), each exercisable at any time from and after January 1, 2025, for one Common Share at an exercise price of \$0.58 per Common Share and expiring on December 31, 2025.

## *Amendments to the Glencore Debenture*

In consideration for the extension of the maturity date of the Glencore Debenture, the Glencore Debenture will also be amended effective as of December 31, 2024 (the "Amended Glencore Debenture") in order for (i) the accrued interest on the existing Glencore Debenture up to December 31, 2024 to be capitalized such that the principal amount of the amended Glencore Debenture will be approximately \$13,985,960, (ii) the conversion price to be increased to \$0.37 per Common Share (from \$0.36), and (iii) the interest rate to be increased from 9% to 10% (collectively, the "Glencore Debenture Amendments"). The 15,061,158 warrants of the Corporation currently held by Glencore (the "Existing Glencore Warrants") will remain outstanding in accordance with their terms until their expiry on December 31, 2024. In consideration for the extension of the maturity date of the Glencore Debenture, the Corporation will issue to Glencore, on December 31, 2024, 19,424,944 warrants (the "New Glencore Warrants"), each exercisable at any time from and after January 1, 2025, at an exercise price of (i) \$0.38 per Common Share for 15,061,158 of the New Glencore Warrants and (ii) \$0.42 per Common Share for the remaining 4,363,786 New Glencore Warrants, and expiring on December 31, 2025.

The New Glencore Warrants and the Amended Glencore Debenture will provide that unless shareholder approval from disinterested shareholders of the Corporation has been obtained in accordance with applicable Canadian securities laws and TSX Venture Exchange policies, the holder of the New Glencore Warrants and Amended Glencore Debenture will not be permitted to exercise any portion of the New Glencore Warrants or convert any portion of the Amended Glencore Debenture if, following such exercise or conversion, as applicable, the holder thereof and its affiliates would own, directly or indirectly, more than 19.9% of the outstanding Common Shares.

The Osisko Loan Amendments and the issuance of the New Osisko Warrants (the "Osisko Transactions") are considered "related party transactions" under Regulation 61-101 respecting *Protection of Minority Security Holders in Special Transactions* ("Regulation 61-101"). The Osisko Transactions are exempt from the requirements to obtain a formal valuation pursuant to section 5.5(b) of Regulation 61-101. However, Falco is required to obtain minority approval for the Osisko Transactions as none of the exemptions contained under Regulation 61-101 are currently available to the Corporation.

Closing of the Osisko Transactions is conditional upon (i) obtaining minority approval of the shareholders of the Corporation, excluding the Common Shares held by [Osisko Development Corp.](#), to be sought at the special meeting of shareholders of the Corporation to be held on December 10, 2024 (the "Shareholders' Meeting"), (ii) approval of the TSX Venture Exchange, and (iii) concurrent closing of the Glencore Debenture Amendments and the issuance of the New Glencore Warrants on the terms described herein.

Closing of the Glencore Debenture Amendments and the issuance of the New Glencore Warrants is conditional upon (i) approval of the TSX Venture Exchange, and (ii) concurrent closing of the Osisko Transactions on the terms described herein. Subject to satisfaction of such conditions, closing of the Osisko Loan Amendments and the Glencore Debenture Amendments, and closing of the Osisko Transactions is expected to occur concurrently on December 31, 2024. Additional information will be included in the management proxy circular to be filed at [www.sedarplus.ca](http://www.sedarplus.ca).

Prior to the transactions contemplated by this press release, Osisko held the Osisko Loan in the principal amount of \$20,484,195, which is convertible into 40,968,390 Common Shares and also held 10,664,324 Existing Osisko Warrants, representing approximately 15.6% of the issued and outstanding Common Shares on a partially diluted basis assuming the conversion in full of the Osisko Loan and the exercise in full of the 10,664,324 Existing Osisko Warrants. Immediately following closing, on a partially diluted basis assuming the conversion in full of the Osisko Loan and the exercise in full of the New Osisko Warrants, Osisko would have beneficial ownership of, or control and direction over 70,760,950 Common Shares, representing approximately 20.2% of the Common Shares issued and outstanding. Osisko holds approximately 40% of the issued and outstanding equity interests of Osisko Development Corp, which has beneficial ownership of, or control and direction over 46,885,240 Common Shares and 8,802,222 warrants of the Corporation, representing approximately 19.3% of the issued and outstanding Common Shares on a partially diluted basis assuming the exercise in full of the 8,802,222 warrants.

#### About Falco

[Falco Resources Ltd.](#) is one of the largest mineral claim holders in the Province of Québec, with extensive land holdings in the Abitibi Greenstone Belt. Falco owns approximately 67,000 hectares of land in the Noranda Mining Camp, which represents 67% of the entire camp and includes 13 former gold and base metal mine sites. Falco's principal asset is the Falco Horne 5 Project located under the former Horne mine that was operated by Noranda from 1927 to 1976 and produced 11.6 million ounces of gold and 2.5 billion pounds of copper. Osisko Development Corp is Falco's largest shareholder owning a 16.7% interest in the Corporation.

For further information, please contact:

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*

#### *Cautionary Statement on Forward-Looking Information*

*This news release contains forward-looking statements and forward-looking information (together, "forward looking statements") within the meaning of applicable securities laws. Often, but not always, forward-looking statements can be identified by words such as "plans", "expects", "seeks", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that*

*may, could, would, might or will occur or be taken or achieved. These statements are made as of the date of this news release. Without limiting the generality of the foregoing statements, the statements relating to the Osisko Loan Amendments, the Glencore Debenture Amendments, as well as the issuance of the New Glencore Warrants and New Osisko Warrants are forward-looking statements and will not be completed until approved by the TSX Venture Exchange and until appropriate shareholder approval is obtained with respect to Osisko Loan Amendments and the issuance of the Osisko Warrants. There is no assurance that the approval of the TSX Venture Exchange to such transactions will be obtained nor that shareholder approval with respect to Osisko Loan Amendments and the issuance of the Osisko Warrants will be obtained. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the risk factors set out in Falco's annual and/or quarterly management discussion and analysis and in other of its public disclosure documents filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), as well as all assumptions regarding the foregoing. Although the Corporation believes the forward-looking statements in this news release 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.*

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