FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Falcon Gold Corp. ("Falcon" or the "Company")
c/o 439 Helmcken Street,
Vancouver, B.C. V6B 2E6

2. Date of Material Change

May 18, 2018

3. News Release

News releases with respect to this material change were disseminated on April 6, 2018 and May 17, 2018 via Newsfile Corp.

4. Summary of Material Change

Falcon has closed a non-brokered private placement of 4,420,000 units at a price of $0.05 per share for gross proceeds of $221,000. Certain Directors and Officers in aggregate subscribed for 45% of the private placement.

5. Full Description of Material Change

On May18, 2018, Falcon closed a private placement pursuant to which investors purchased from the Company 4,420,000 priced at $0.05 per Unit at a price of $0.05 per share for gross proceeds of $221,000. Each Unit consists of one common share and one 2-year common share purchase warrant exercisable at $0.10.

Pursuant to Subscription Agreements, on the same terms and conditions as other investors, Mr. David Tafel (Chairman & Director) acquired 800,000 Units and Mr. Steve Williamson (CEO & Director) acquired 1,200,000 Units.

As a result of this acquisition, Mr. Tafel owns or controls, directly or indirectly, 1,292,447 common shares of the Company representing 3.97% of the common shares currently outstanding, and Mr. Wilkinson owns or controls, directly or indirectly, 1,208,900 common shares of the Company representing 3.72% of the common shares currently outstanding.

The details of this private placement and, in particular the implications of the subscription by related parties, were approved by the Board of Directors on May 10, 2018.

The participation by the related parties is exempt from the valuation and shareholder approval requirements of Multilateral Instrument 61-101 Protection of Minority Security Holders in

Special Transactions ("MI 61-101"), since neither the fair market value of the shares purchased by the related parties, nor the consideration paid for their Units, totaled more than 25% of the market capitalization of the Company before giving effect to the placement. Specifically, the private placement is exempt from shareholder approval in accordance with section 5.7(1)(a) of MI 61-101 and no formal valuation has been conducted for this private placement in accordance with section 5.5(a) of MI 61-101. The price has been set at $0.05 based upon the Company's most recent trading price.

For further information, also see the attached news release.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

7. Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

8. Executive Officer

David Tafel, Chairman
Tel: (604) 484 2161

9. Date of Report

May 18, 2018

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NEWS RELEASE **FG: TSX-V**

FALCON CLOSES OVER-SUBSCRIBED $221,000 FINANCING

Vancouver, B.C., May 17, 2018. **FALCON GOLD CORP. (FG: TSX-V)** "Falcon" or the "Company") is pleased to announce it has closed an over-subscribed $221,000 financing pursuant to its previously announced ($200,000) private placement. The Company has issued 4,420,000 priced at $0.05 per Unit. Each Unit consists of one common share and one 2-year common share purchase warrant exercisable at $0.10. Insiders of the Company have subscribed for 45% of the financing. Proceeds shall be used by the Company for working capital and general corporate purposes.

All securities issued pursuant to this financing will be subject to resale restrictions for a period of four months and one day from closing under applicable securities legislation. Final closing is subject to TSX Venture Exchange approval.

The participation in the private placement by Insiders, Mr. David Tafel (Chairman & Director) and Mr. Stephen Wilkinson (CEO & Director) constitutes a Related Party Transaction. However, this Related Party Transaction is exempt from formal valuation and minority shareholder approval pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

About Falcon Gold Corp.

Falcon is a Canadian mineral exploration company focused on generating, acquiring, and exploring opportunities in the Americas. Its projects include the Central Canada Cobalt and Gold Project in N.W. Ontario and the Burton gold property located northwest of Sudbury, Ontario. For information on the Company, please visit our website: www.falcongold.ca.

CONTACT INFORMATION:

Falcon Gold Corp.

David Tafel
Chairman & Director

Stephen Wilkinson
CEO & Director

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Cautionary Language and Forward-Looking Statements

This news release may contain forward looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, etc. Forward looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

Neither 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 release.