FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Falco Pacific Resource Group Inc.
1328 – 885 West Georgia Street
Vancouver, BC
V6C 3E8

Item 2 **Date of Material Change**

May 14, 2014

Item 3 **News Release**

The news release was disseminated on May 14, 2014 through the facilities of Marketwired Canada and was SEDAR filed with the British Columbia and Alberta Securities Commissions.

Item 4 **Summary of Material Change**

Falco Pacific Resource Group Inc. ("Falco Pacific" or the "Company") announced that Paul-Henri Girard has been appointed to the Falco Pacific Board of Directors.

Falco Pacific also announced the granting of incentive stock options to certain of its directors, officers, employees and consultants to purchase up to 635,000 common shares in its capital stock at a price of $0.45 per share, exercisable for a period of five years.

Item 5 **Full Description of Material Change**

5.1 Full Description of Material Change

Falco Pacific announced that Paul-Henri Girard has been appointed to the Falco Pacific Board of Directors.

Mr. Girard joined Falco Pacific earlier this year in the role of Senior Mining Advisor to oversee the advancement of the next phase of the Horne Mine Complex project, which includes the on-going review and optimizing of the Horne 5 Deposit. Mr. Girard brings to Falco Pacific over 30 years of experience in mine development and production in the Abitibi region.

Prior to joining Falco Pacific, Mr. Girard acted as Vice-President of Canadian Operations for Agnico Eagle Mines Limited ("Agnico"). During his 25 years at Agnico, Mr. Girard was instrumental in the development of its flagship LaRonde polymetallic mine, which shares a number of similarities to Horne 5, and in the advancement of the Goldex and Lapa mines in Quebec. Mr. Girard was an integral part of a successful senior management team that oversaw the growth of Agnico from 400 employees to over 4,000 at the time of his retirement.

Mr. Girard's appointment to the Board of Falco Pacific comes as Falco Pacific not only looks to continue to de-risk the opportunities in and around the Horne 5 Deposit, but also begins to ramp up exploration on high priority targets throughout the Rouyn-Noranda Project area. Additional information on Falco Pacific's exploration targeting will be forthcoming over the weeks ahead.

Commenting on the appointment, Interim CEO Jim Davidson said "Mr. Girard's skills and experience of building some of the most successful mines in this region makes him ideally suited to serve on the Board of Falco Pacific and we are very pleased that he has decided to accept this position."

Falco Pacific also announced the granting of incentive stock options to certain of its directors, officers, employees and consultants to purchase up to 635,000 common shares in its capital stock at a price of $0.45 per share, exercisable for a period of five years.

About Falco Pacific Resource Group

Falco Pacific controls over 700 square kilometres of the world-class Rouyn- Noranda gold-base metal mining camp in the Canadian province of Quebec. Long considered one of the crown jewels of the Canadian mining business Falco Pacific's Rouyn-Noranda Project is centered around the Horne Gold- Copper Mining Complex which includes the wholly owned Horne 5 gold-copper-zinc-silver deposit which Falco Pacific is actively evaluating. For more information, on the Horne 5 Deposit and Falco Pacific please visit www.falcopacific.com or see our public disclosure records at www.sedar.com.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Confidentiality is not requested.

Item 7 Omitted Information

No information has been omitted in respect of the material change.

Item 8 Executive Officer

The following executive officer of Falco Pacific is knowledgeable about the material change disclosed in this report.

James Davidson, President and CEO
Telephone: 604.336.6346

Item 9 Date of Report

May 23, 2014

Forward-Looking Statements

This material change report contains forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws and the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements include terms of the transaction, including acquisition costs, shares to be issued and approval of the TSX Venture Exchange and future plans. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include those risks set out in Falco Pacific's public documents filed on SEDAR at www.sedar.com. Although Falco Pacific believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this material change report, and no assurance can be given that such events will occur in the disclosed times frames or at all. Except where required by law, Falco Pacific disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This material change report contains information with respect to adjacent or similar mineral properties in respect of which Falco Pacific has no interest or rights to explore or mine. Readers are cautioned that Falco Pacific has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on Falco Pacific's properties.