# Falco Pacific Announces Initial Horne 5 Resource of 2.15 Million oz Gold (2.8 Million oz Gold Equivalent)

04.03.2014 | Marketwired

## Inferred resource estimated at: 25.3 million tonnes @ 2.64 g/t Gold, 0.23% Copper, 0.70% Zinc (3.41 g/t Gold Equivalent)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 4, 2014) - Falco Pacific Resource Group Inc. ("Falco Pacific" or the "Company") (TSX VENTURE:FPC) today announced an initial mineral resource estimate for the upper portion of its 100% owned Horne 5 deposit in Rouyn-Noranda, Quebec.

**Highlights:**

- At a CDN$80/tonne net payable metal or net smelter return ("NSR") cut-off, the upper portion of the deposit hosts an inferred resource of: **25.3 million tonnes @ 2.64 g/t gold, 0.70 % zinc and 0.23% copper (or 3.41 g/t gold equivalent "AuEq")**.
- At this cut-off the resource contains an estimated **2.15 million ounces of gold**, 131 million pounds of copper, and 393 million pounds of zinc (see Table 1) for a total of **2.8 million AuEq ounces**. Gold accounts for 77% of the total gold equivalent resource.
- At lower NSR cut-off's the resource tonnage and contained metals increase substantially providing significant leverage to higher gold and base metal prices. At a CDN$50/tonne cut-off the estimated inferred resource increases to **67.6 million tonnes at 2.48 g/t AuEq, containing 3.95 million ounces of gold and 5.39 million AuEq ounces** (Table 1). The scale and continuity of the deposit suggests potential for the employment of low cost, underground bulk mining methods similar to those employed at other precious metal mines in the region.
- Metal price assumptions of $US1300/oz gold, $3.30/lb copper, and $0.95/lb zinc were used in the NSR and gold equivalent calculations. Other key assumptions used in these estimates are summarized below.
- While silver is present within the deposit in significant quantities it has not been incorporated in this resource estimate as it was not systematically assayed for by Noranda Inc. In 1963 Noranda collected and milled 76 bulk samples (140,000 metres of drill core) from the upper portion of the Horne 5 deposit which returned an historic average assayed silver grade of 16.8 g/t. A qualified person has not done sufficient work with respect to the historically reported silver content of the Horne 5 deposit to allow for its incorporation into the current mineral resource estimate and the Company is not treating the historic estimate of silver grade as part of the current mineral resource.

The estimated inferred resource for the Horne 5 deposit over a range of cut-off NSR values is:

Table 1
Horne 5 Deposit
Mineral Resource Estimate

| Resource Class | Cut-off (NSR C$) | Tonnes (Mt) | Au Eq g/t | Au g/t | Cu % | Zn % | Contained Gold Eq (Moz) | Contained Gold (Moz) | Contained Copper (Mlbs) | Contained Zinc (Mlbs) |
|---|---|---|---|---|---|---|---|---|---|---|
| | > 50 | 67.62 | 2.48 | 1.82 | 0.17 | 0.72 | 5.4 | 3.95 | 260.81 | 1,072.51 |
| | > 60 | 50.36 | 2.75 | 2.05 | 0.19 | 0.73 | 4.5 | 3.32 | 213.67 | 814.19 |
| | > 70 | 35.86 | 3.07 | 2.33 | 0.21 | 0.72 | 3.5 | 2.69 | 168.38 | 572.95 |
| Inferred | > 80 | 25.32 | 3.41 | 2.64 | 0.23 | 0.70 | 2.8 | 2.15 | 131.05 | 393.09 |
| | > 90 | 17.93 | 3.77 | 2.98 | 0.26 | 0.69 | 2.2 | 1.72 | 101.65 | 272.09 |
| | > 100 | 12.84 | 4.17 | 3.35 | 0.28 | 0.67 | 1.7 | 1.38 | 78.91 | 189.89 |
| | > 110 | 9.50 | 4.57 | 3.72 | 0.30 | 0.66 | 1.4 | 1.13 | 62.61 | 138.29 |

1. *The effective date of the resource estimate is February 17, 2014. The Independent and Qualified Persons for the Mineral Resource Estimate as required by National Instrument 43-101 are Carl Pelletier, B.Sc., P.Geo. and Karine Brousseau, P.Eng., both employees of InnovExplo Inc..*

1. *NSR estimates are based on the following assumptions: exchange rate of $Cdn1.05/$US, metal prices of (all $US): gold $1,300/oz, copper $3.30/lb, zinc $0.95/lb, payable metal of 87% for gold, 65% for copper and 37% for zinc (based on conservative estimates of milling and smelting terms for comparable operations within the southern Abitibi district). Current metallurgical testing is underway to facilitate optimization of these estimates utilizing available Horne 5 drill core. Gold equivalent calculations assume these same metal prices.*

1. *Resources were compiled at NSR cut-offs of C$50, C$60, C$70, C$80, C$90, C$100, and C$110 per tonne. The base case resource estimate is reported at a C$80 per tonne NSR cut-off. The appropriate NSR cut-off will vary depending on prevailing economic and operational parameters, for example gold price, exchange rate, mining method and cost.*

1. *Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.*

1. *The quantity and grade of reported Inferred Resources in this estimate are uncertain in nature and there has not been sufficient work to define these Inferred Resources as Indicated or Measured Resources. It is uncertain if further work will result in upgrading them to an Indicated or Measured mineral resource category.*

1. *While the results are presented undiluted and in situ, the reported mineral resources are considered by the Qualified Persons to have reasonable prospects for economic extraction.*

The Horne 5 resource estimate is based on 4,384 underground diamond drill holes (305,788 metres) drilled by Noranda between 1924 and 1976 (Figure 1). Holes were collared at depths ranging from 600 to 2,300 metres below surface across a strike length of up to 1,000 metres. The majority of drilling was conducted as radiating "fan drilling" from 40 underground working levels developed throughout the deposit on 15 metre centres. The 15 metre spacing is significantly closer than standard drill spacing used in resource estimation work today providing a very high level of confidence in the data. Noranda dominantly sampled at 3 metre core lengths (which homogenizes individual higher grade results), generating the more than 83,000 assays that were used in this resource estimate.

The Horne 5 deposit is a massive to semi-massive sulfide body of volcanogenic massive sulphide ("VMS") affinity that physically underlays the historic Horne copper-gold mine (54Mt @ 6.1 g/t gold, 2.2% copper, and 13 g/t silver (Figure 4)). Gold mineralization is associated with fine-grained pyrite within a gangue of quartz and sericite. Interstitial chalcopyrite and sphalerite are present throughout the deposit in varying quantities. The deposit is a tabular, stratiform body that extends to a depth of at least 2,800 vertical metres and for up to 1,200 metres along strike, varying between 40 and 120 metres in thickness. A limited tonnage of copper/gold-rich ore was mined by Noranda from four stopes within the Horne 5 deposit. These areas have been excluded from the resource estimate.

The Horne 5 deposit remains open for extension to depth (see Figure 1 & 2, Table 2). Limited historical drilling has intersected broad mineralized zones below that portion of the Horne 5 deposit included in this resource estimate. These intercepts extend the deposit to a minimum vertical depth of 2,800 metres from surface, 500 meters below the deepest elevation incorporated in this resource estimate.

"The initial resource estimate for Horne 5 has exceeded our expectations confirming the presence of a large, continuous, gold-rich deposit with a strong grade profile and abundant upside" said Darin Wagner, Chairman of Falco Pacific. "Work to optimize the value of this important asset and outline the economic parameters for any potential development of Horne 5 and several nearby deposits owned by Falco Pacific is already underway with the assistance of InnovExplo and Falco Senior Mining Advisor Mr. Paul-Henri Girard, former Vice President Canada for Agnico Eagle Mines."

**Resource Expansion Potential:**

The current resource estimate is for the upper portion of the Horne 5 deposit only. The deposit is known to extend for at least 500 metres below the 1,700 vertical metres included in this initial resource estimate.

In addition another 6,600 historic drill holes (totalling 460,000 metres) including 217,000 gold, silver, copper and zinc assays are currently being added to the Horne mine complex database. A significant number of these holes are in areas not previously mined and include areas adjacent to the Horne 5 deposit and other proximal zones of mineralization such as the Lower H, Remnor and Horne West zones.

Key target areas of focus for the Company over the near term are as follows:

***Horne 5 Deposit Down-Dip Extension***

The high grade D mineralized domain ("HG_D") constitutes the deepest and highest grade portion of the Horne 5 deposit included in the current resource estimate (see Table 2 below). This open-ended sub-zone demonstrates that at its deeper levels the Horne 5 deposit hosts mineralization similar to that found in the former producing Horne deposit and the currently producing Bousquet-LaRonde deposits located 40 kilometres to the east.

Table 2
Horne 5 Deposit HG_D Sub-Zone
Mineral Resource Estimate

| Resource Class | Cut-off (NSR C$) | Tonnes | Au Eq g/t | Au g/t | Cu % | Zn % | Contained Au (oz) | Contained Cu (lbs) | Contained Zn (lbs) |
|---|---|---|---|---|---|---|---|---|---|
| Inferred | > 50 | 1.91 | 5.18 | 3.99 | 0.42 | 0.95 | 0.24 | 17.49 | 39.90 |
| | > 60 | 1.85 | 5.29 | 4.07 | 0.42 | 0.96 | 0.24 | 17.31 | 39.28 |
| | > 70 | 1.77 | 5.45 | 4.20 | 0.44 | 0.98 | 0.24 | 17.04 | 38.11 |
| | > 80 | 1.67 | 5.64 | 4.35 | 0.45 | 0.99 | 0.23 | 16.68 | 36.49 |
| | > 90 | 1.57 | 5.84 | 4.52 | 0.47 | 0.99 | 0.23 | 16.25 | 34.20 |
| | > 100 | 1.49 | 5.99 | 4.66 | 0.48 | 0.98 | 0.22 | 15.91 | 32.13 |
| | > 110 | 1.43 | 6.11 | 4.77 | 0.49 | 0.97 | 0.22 | 15.61 | 30.58 |

Noranda drilled a total of 37 holes below the HG_D domain from unground levels 57 and 65 (Figure 2; Table 3). These results **are not** included in the current resource estimate due to limitations in overall drill coverage and drill density. They clearly illustrate that the deposit continues to depth for at least an additional 500 metres down dip and continues to exhibit a strong grade profile. These results along with metal ratio/zoning studies completed during the resource modelling process suggest potential for continuity of good grade gold-copper-silver mineralization to depth.

Table 3 highlights results from this area and defines an open-ended exploration target having minimum dimensions of 880 x 500 metres with mineralized intercepts ranging from 3 to over 50 metres in true thickness.

Table 3

| Drill Hole Number | From (metres) | To (metres) | Core Length (metre) | True Width (metre) | Gold* g/t | Silver g/t | Copper % | Zinc % |
|---|---|---|---|---|---|---|---|---|
| HN_57-8936 | 0.00 | 21.34 | 21.34 | 21.30 | 5.26 | 19.30 | 0.05 | 1.00 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *including* | *9.14* | *21.34* | *12.19* | *12.16* | *9.09* | *28.97* | *0.03* | *0.48* |
| HN_57-8946 | 60.96 | 76.20 | 15.24 | 15.21 | 2.98 | 3.09 | 0.18 | N/A |
| *including* | *60.96* | *64.01* | *3.05* | *3.04* | *4.46* | *5.14* | *0.23* | *N/A* |
| HN_65-8966 | 121.92 | 128.02 | 6.10 | 5.72 | 3.94 | 0.00 | 0.23 | 0.19 |
| HN_57-9053 | 45.72 | 51.82 | 6.10 | 6.09 | 3.26 | 82.80 | 0.23 | 0.70 |
| HN_57-9055 | 42.67 | 45.72 | 3.05 | 2.79 | 17.14 | 0.00 | 0.08 | 0.08 |
| HN_57-9055 | 60.96 | 70.10 | 9.14 | 8.61 | 2.51 | 67.20 | 0.50 | 0.38 |
| HN_57-9064 | 173.74 | 249.94 | 76.20 | 50.52 | 3.34 | 41.95 | 0.29 | 0.63 |
| *including* | *173.74* | *231.65* | *57.91* | *37.73* | *4.54* | *53.06* | *0.24* | *0.47* |
| *including* | *213.36* | *225.55* | *12.19* | *8.27* | *15.17* | *196.89* | *0.18* | *0.68* |
| HN_65-9057 | 18.29 | 91.44 | 73.15 | 41.31 | 6.25 | 52.40 | 0.48 | 0.24 |
| *including* | *33.53* | *70.10* | *36.58* | *20.54* | *11.06* | *88.94* | *0.62* | *0.16* |
| *including* | *51.82* | *70.10* | *18.29* | *11.26* | *18.51* | *160.17* | *0.75* | *0.21* |
| HN_65-9059 | 18.29 | 85.34 | 67.06 | 38.96 | 3.62 | 27.60 | 0.32 | 0.27 |
| *including* | *21.34* | *67.06* | *45.72* | *25.82* | *4.96* | *33.99* | *0.33* | *0.32* |
| *including* | *27.43* | *33.53* | *6.10* | *3.23* | *25.03* | *117.26* | *0.32* | *0.56* |
| HN_65-9060 | 12.19 | 45.72 | 33.53 | 28.01 | 2.34 | 27.74 | 0.27 | 0.21 |
| *including* | *15.24* | *24.38* | *9.14* | *7.53* | *4.00* | *27.89* | *0.22* | *0.47* |
| HN_65-9063 | 15.24 | 36.58 | 21.34 | 21.34 | 2.79 | 42.27 | 0.35 | 0.13 |
| *including* | *18.29* | *30.48* | *12.19* | *12.19* | *3.86* | *59.06* | *0.41* | *0.14* |
| HN_65-9065 | 21.34 | 54.86 | 33.53 | 27.70 | 3.37 | 116.98 | 0.51 | 0.39 |
| *including* | *21.34* | *33.53* | *12.19* | *9.94* | *5.49* | *260.49* | *0.34* | *0.81* |
| HN_65-9089 | 18.29 | 39.62 | 21.34 | 21.27 | 3.36 | 45.16 | 0.33 | 0.01 |
| *including* | *27.43* | *33.53* | *6.10* | *6.08* | *5.66* | *80.06* | *0.70* | *0.02* |
| HN_65-9091 | 36.58 | 57.91 | 21.34 | 17.62 | 1.42 | 17.39 | 0.46 | 0.02 |
| *including* | *39.62* | *45.72* | *6.10* | *4.95* | *3.09* | *40.46* | *0.95* | *0.02* |
| HN_65-9262 | 42.67 | 204.22 | 161.54 | 29.55 | 3.55 | 36.01 | 0.19 | 0.76 |
| *including* | *60.96* | *134.11* | *73.15* | *10.45* | *5.20* | *45.76* | *0.21* | *0.78* |
| *including* | *54.86* | *91.44* | *36.58* | *4.55* | *4.77* | *65.37* | *0.18* | *0.75* |
| *including* | *106.68* | *134.11* | *27.43* | *4.41* | *7.20* | *28.84* | *0.20* | *0.57* |

** All reported grades are uncapped*

### *Horne West Zone*

The Horne West Zone is located 500 metres to the west of Horne 5 deposit. This gold (+/-zinc) zone was initially discovered from drilling off Horne 5 sublevels in the 1940's, with near surface mineralization subsequently discovered in the 1980's. The deeper mineralization appears to correlate well with the shallower drilling outlining a sub-vertical zone of gold mineralization that extends down dip for 1,500 metres and remains open at depth. The Horne West Zone shows zonation from gold rich to the west to more zinc rich to the east and also appears to be of VMS affinity. Highlights from Noranda historic intercepts through the Horne West Zone include:

Table 4

| | From | To | Core Length* | Gold |
|---|---|---|---|---|
| Hole-ID | (m) | (m) | (m) | (g/t) |
| HN_21-5994 | 414.53 | 420.62 | 6.09 | 9.76 |
| HN_65-9068 | 496.82 | 505.97 | 9.15 | 31.54 |
| HW-07-06 | 405.80 | 454.30 | 48.50 | 1.57 |
| RN_9-26 | 252.50 | 263.65 | 11.15 | 3.74 |
| RN_9-42 | 213.36 | 220.68 | 7.32 | 5.15 |
| RN_9-73 | 239.57 | 255.42 | 15.85 | 3.37 |
| RN_9-77 | 237.13 | 254.81 | 17.68 | 3.18 |
| RN_9-90 | 260.21 | 280.84 | 20.63 | 5.49 |
| RN_9-92 | 284.68 | 290.78 | 6.10 | 5.37 |

** Insufficient work has been done at this time to determine the true widths of the reported intercepts, all reported values are uncapped.*

"With a large initial resource at Horne 5 now confirmed, clear potential to further expand this resource and the opportunity to add other nearby unmined and remnant deposits to our resource and exploration model, Falco Pacific is uniquely positioned for further low cost, high impact growth" said Mr. Kelly Klatik, President and CEO of Falco Pacific. "For our shareholders the best part may be that we have accomplished all of this

at very low cost on a small fraction of the 700+ square kilometres we hold in this world-class mining district."

The technical report in support of this resource estimate will be filed on SEDAR (www.sedar.com) and placed on the Company's website within the next 45 days and the Company will advise its shareholders once the report is available.

**Resource Modeling Notes:**

1. *Densities for zone ENV_A and HG_A to E were estimated from drill hole iron assay data using a 3-pass ID2 interpolation method. The average density for these zones ranges from 3.17 to 3.54 g/cm$^3$. Limited density data was available for zones ENV_B to D and a fixed density of 2.88 g/cm$^3$ representing the average of the available data was assumed for these zones.*

1. *A minimum true thickness of 7.0 m was applied, using the grade of the adjacent material when assayed, or a zero value when not assayed. Compositing was done on drill hole sections falling within the mineralized zones (composite = 3.0 metres).*

1. *The estimate was generated using GEMS(c) software based on a three dimensional block model (5x5x5 metre blocks). Nine contiguous mineralized domains (5 high-grade gold bearing and 4 low-grade gold bearing) were identified, defined, and modelled from 600 metres to 2,300 metres depth. Wireframes were used as hard boundaries to constrain the interpolation of grades into the block model. Interpolation parameters were derived based on geostatistical analysis conducted on 3 metre composited drill hole data. Block grades have been estimated using Inverse Distance Squared (ID2) interpolation method and the mineral resources have been classified based on proximity to sample data and the continuity of mineralization in accordance with CIM best practices.*

1. *Capping of high grade gold values was done on raw assay data and established on a per zone basis: HG_A: 35 g/t, HG_B: 70g/t, HG_C: 25g/t, HG_D: 35g/t, HG_E: 25g/t, ENV_A: 70g/t, ENV_B: 25g/t, ENV_C: 25g/t, ENV_D: g/t25. No upper capping was applied to copper and zinc data.*

1. *Tonnage estimates were rounded to the nearest hundred tonnes. Any discrepancies in the totals are due to rounding effects. Rounding practice follows the recommendations set out in Form 43-101F1.*

1. *CIM definitions and guidelines were followed in estimating Mineral Resources.*

1. *InnovExplo is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the Mineral Resource Estimate.*

1. *InnovExplo's data verification included, a review of core from sixteen (16) different diamond drill holes, validation of 100% of the drill hole collar locations and of down holes surveys were made and 10% of the assays were validated. 121 core samples from historical core were sent to ALS Chemex Laboratory for check assays. Assays show good correlation to historic assays for gold, silver, copper, and zinc, and recent specific gravity determinations depict excellent reproducibility compared to calculated specific gravity values. The check assays program used regular QAQC protocols which included the insertion of blank, standard and duplicate samples. InnovExplo is of the opinion that the final drill hole database is adequate to support a mineral resource estimate for the Horne 5 deposit.*

Technical information related to the 2014 Horne 5 Project Resource Estimate contained in this news release has been reviewed and approved by Carl Pelletier, B.Sc., P.Geo. and Karine Brousseau, Eng (InnovExplo Inc.) who are independent Qualified Persons as defined by NI 43-101 who have the ability and authority to verify the authenticity and validity of this data. By reason of their education, affiliation with a professional association and past relevant work experience, Carl Pelletier and Karine Brousseau fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

Stéphane Poitras, Senior Exploration Geologist (P.Geo.) an employee of Falco Pacific, is the

non-independent qualified person for this release as defined by NI 43-101 and has reviewed and verified the technical information contained herein other than the resource estimate.

**About Falco Pacific Resource Group**

Founded in 2012 with the acquisition of the 728 square kilometre Rouyn Noranda Project in Quebec, Falco Pacific is focussed on the evaluation of precious and base metal targets in one of the world's great mining camps. Horne 5 Deposit represents the largest, partially developed gold deposit in the southern portion of the Abitibi greenstone belt. Horne 5 is one of a number of known zones of gold and gold-base metal mineralization, which form the Horne Mine Complex, centered around the former producing Horne copper-gold deposit.

For more information, please go to www.falcopacific.com.

On behalf of the Board of Directors of FALCO PACIFIC RESOURCE GROUP

Kelly Klatik, President and CEO

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 Notes**

***Cautionary Note Regarding Forward-Looking Statements***

*This news release 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. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the anticipated content, commencement and cost of exploration programs and work with respect to the historical data on the Horne 5 deposit, anticipated exploration program results, the discovery and delineation of mineral deposits/resources/reserves, metal price assumptions, the ability of the Company to optimize the value of the Horne 5 deposit and to outline the economic parameters for any potential development of Horne 5 and several nearby deposits, the ability of the Company to add other nearby unmined and remnant deposits to the Company's current model, the ability of the Company to continue low cost, high impact growth, the potential for any production decision to be made in respect of the Horne 5 deposit, the potential for any mining at or mineral production from Horne 5 or any surrounding deposits, the potential for the identification of multiple deposits surrounding Horne 5, business and financing plans and business trends. Information concerning mineral resource estimates may also be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered, and the results of mining it, if a mineral deposit were developed and mined. Generally, forward-looking information 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". 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 the Company's public documents filed on SEDAR at www.sedar.com. Although the Company 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 news release, and no assurance can be given that such events will occur in the disclosed times frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

***Cautionary Note Regarding References to Resources and Reserves***

*National Instrument 43 101 - Standards of Disclosure for Mineral Projects ("NI 43-101") is a rule developed*

*by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in or incorporated by reference in this press release have been prepared in accordance with NI 43-101 and the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resource and Mineral Reserves, adopted by the CIM Council on November 14, 2004 (the "CIM Standards") as they may be amended from time to time by the CIM.*

*United States shareholders are cautioned that the requirements and terminology of NI 43-101 and the CIM Standards differ significantly from the requirements and terminology of the SEC set forth in the SEC's Industry Guide 7 ("SEC Industry Guide 7"). Accordingly, the Company's disclosures regarding mineralization may not be comparable to similar information disclosed by companies subject to SEC Industry Guide 7. Without limiting the foregoing, while the terms "mineral resources", "inferred mineral resources", "indicated mineral resources" and "measured mineral resources" are recognized and required by NI 43-101 and the CIM Standards, they are not recognized by the SEC and are not permitted to be used in documents filed with the SEC by companies subject to SEC Industry Guide 7. Mineral resources which are not mineral reserves do not have demonstrated economic viability, and US investors are cautioned not to assume that all or any part of a mineral resource will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility study, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit amounts. The term "contained ounces" is not permitted under the rules of SEC Industry Guide 7. In addition, the NI 43-101 and CIM Standards definition of a "reserve" differs from the definition in SEC Industry Guide 7. In SEC Industry Guide 7, a mineral reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made, and a "final" or "bankable" feasibility study is required to report reserves, the three-year historical price is used in any reserve or cash flow analysis of designated reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.*

***Caution Regarding Adjacent or Similar Mineral Properties***

*This news release contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises US investors that the mining guidelines of the US Securities and Exchange Commission (the "SEC") set forth in the SEC's Industry Guide 7 ("SEC Industry Guide 7") strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties, and any production therefrom or economics with respect thereto, are not indicative of mineral deposits on the Company's properties or the potential production from, or cost or economics of, any future mining of any of the Company's mineral properties.*

*This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.*

**Contact**

Falco Pacific Resource Group
Mr. Dean Linden
Business Development
1.425.449.9442
info@falcopacific.com
www.falcopacific.com