Lays Groundwork for Silver and/or Gold Stream Financing

MONTREAL, QC--(Marketwired - May 30, 2016) - Falco Resources (TSX VENTURE: FPC) ("Falco" or the "Company) is pleased to announce the closing of a financing with Osisko Gold Royalties Ltd. (TSX: OR) ("Osisko") whereby Osisko will provide a C$10 million loan ("Loan"). The Loan will be used for the advancement of the Horne 5 Project and for general corporate purposes.

Luc Lessard, President and Chief Executive Officer of Falco commented: "We are very pleased to benefit from our partnership with Osisko. With this financing now completed, we will work aggressively to advance the development of the Horne 5 Project. This is an important first step in completing the funding necessary to see the Horne 5 Project realized."

$10 Million Loan Financing

Under the terms of the financing, Osisko has provided Falco with a C$10 million loan. The Loan has an 18 month maturity, and interest shall be payable on the principal amount at a rate per annum that is equal to 7%, compounded quarterly, payable upon repayment of the principal amount.

Silver and/or Gold Stream

Over the next 18 months, Falco and Osisko shall negotiate in good faith the terms, conditions and form of a silver and/or gold stream agreement ("Stream Agreement"), which shall be substantially in the form typical for such transaction in the industry, whereby Osisko may provide Falco with a portion of the development capital required to build the Horne 5 Project ("Stream"). In this case, the principal amount of the Loan and any accrued interest will be applied against the Stream deposit.

At the maturity date, if Falco and Osisko have not concluded a Stream Agreement, the principal amount of the Loan will be converted into a 1% net smelter return royalty on the Horne 5 Project and accrued interests will be paid in cash.

Under certain events of default, Osisko may, at its option, require the repayment of the principal amount and the accrued interest in cash.

Investor Relations Consultant

The Company also wishes to announce that it has retained the services of Renmark Financial Communications Inc. to assist in investor relations activities.

In consideration of the services to be provided, the Company has agreed to pay a monthly retainer of $5,000 to Renmark Financial Communications Inc.

Renmark Financial Communications does not have any interest, directly or indirectly, in Falco Resources Ltd. or its securities, or any right or intent to acquire such an interest.

About Falco

Falco Resources Ltd. is one of the largest mineral claim holders in the Province of QuÃ©bec, with extensive land holdings in the Abitibi Greenstone Belt. Falco owns 74,000 hectares of land in the Rouyn-Noranda mining camp, which represents 70% of the entire camp and includes 13 former gold and base metal mine sites. Falco's principal property is the Horne Mine, which was operated by Noranda from 1927 to 1976 and produced 11.6 million ounces of gold and 2.5 billion pounds of copper. A updated 43-101 mineral resource estimate for the Horne 5 deposit delineated an Indicated Resource of 5,361,000 gold equivalent ounces ("oz AuEq"), including 3,418,232 oz Au hosted in 58.3 million tonnes averaging 2.86 g/t AuEq (1.82 g/t Au; 15.60 g/t Ag; 0.20% Cu; 1.00% Zn) and an Inferred Resource of 1,254,000 oz AuEq, including 854,534 oz Au hosted in 12.7 million tonnes averaging 3.08 g/t AuEq (2.10 g/t Au; 26.26 g/t Ag; 0.22% Cu; 0.57% Zn.) -- see January 25th, 2016 press release for details. Osisko Gold Royalties is the largest shareholder of the Company and currently owns 16.2% of the outstanding shares of the Company.

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 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 facts, are forward-looking statements. Generally, forward-looking statements 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" and includes, without limitation, the ability of Falco and Osisko to negotiate a Stream in a timely manner. 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 the impossibility for Falco and Osisko to negotiate mutually acceptable commercial terms for a stream and those risks set out in Falco's public documents, including in each management discussion and analysis, filed on SEDAR at www.sedar.com. Although Falco 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 applicable law, Falco 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 Concerning Mineral Resources

This press release uses the term "inferred" resources and "indicated resources", we advise investors that while this term is recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize it. "Inferred" resources and "indicated resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

Contact

For further information contact:
Vincent Metcalfe
Chief Financial Officer
514-905-3162
info@falcores.com

Bettina Filippone
Renmark Financial Communications Inc.
514-939-3989
bfilippone@renmarkfinancial.com
www.renmarkfinancial.com