7.1 Million oz AuEq Measured & Indicated; 1.7 Million oz AuEq Inferred

MONTREAL, QC--(Marketwired - October 03, 2016) - Falco Resources (TSX VENTURE: FPC) ("Falco" or the "Company") is pleased to report an updated mineral resource estimate for its wholly-owned Horne 5 gold project located in Rouyn-Noranda, QuÃ©bec. Gold equivalent resources have increased significantly as a result of this update. The updated resource estimate now includes and combines the newly assembled historical underground channel sample database, new economic parameters as per the Company's recently published preliminary economic assessment ("PEA"), including lowering of the NSR cut-off, additional 2016 drilling results and revised commodity pricing assumptions. New Measured, Indicated and Inferred Resources have been updated for the Horne 5 deposit, which now contains 6 high grade zones.

This updated resource estimate increases Gold Equivalent M&I resources by 32 percent.

The updated resource estimate lays the foundation for the completion of a feasibility study in 2017. This update was undertaken to support feasibility work on the Horne 5 Project and to convert part of Indicated Mineral Resources into Measured Mineral Resources by adding 14,799 samples from the historical underground channel sample database into the resource estimate.

Highlights
At a C$55/tonne net smelter return ("NSR") cut-off

- Horne 5 is now estimated to host:
  - a Measured Resource of 736,000 gold equivalent ounces ("oz AuEq"), including 475,410 oz Au contained in 9.4 million tonnes averaging 2.45 g/t AuEq (1.58 g/t Au; 16.33 g/t Ag; 0.18% Cu; 0.81% Zn).
  - an Indicated Resource of 6,336,000 gold equivalent ounces ("oz AuEq"), including 4,088,383 oz Au contained in 81.7 million tonnes averaging 2.41 g/t AuEq (1.56 g/t Au; 14.19 g/t Ag; 0.18% Cu; 0.86% Zn).
  - an Inferred Resource of 1,710,000 oz AuEq, including 1,053,061 oz Au contained in 22.3 million tonnes averaging 2.39 g/t AuEq (1.47 g/t Au; 22.98 g/t Ag; 0.2% Cu; 0.68% Zn).
- The Measured & Indicated Resources represent 81% of the total resources in AuEq content (oz).
- The Measured Resources represent 10% of the Measured & Indicated resources in AuEq content (oz). The recently completed historical underground channel chip sample database confirmed Au, Cu and Zn modelled grades and provided the data to upgrade a portion of the Indicated Resource into the Measured Resource category.
- A Feasibility study which will incorporate the updated Horne 5 resource estimate has been commenced and is planned to be completed in the first half of 2017.
- Ongoing drill programs are focussing on additional exploration targets in the vicinity of the Horne 5 Deposit. The company plans to drill 20,000 metres at the Horne 5 West and Quemont Extension exploration targets in 2016.

Luc Lessard, President and Chief Executive Officer, stated, "The resource estimate update will enable Falco to aggressively pursue the advancement of the feasibility study on the Horne 5 Project. Establishing an initial Measured Resource was critical to the advancement of the technical studies. The outlined Horne 5 prospective large bulk-tonnage underground resource has enabled Falco to commission work on developing a state-of-the-art highly mechanized mining project."

Horne 5 Resource Estimate

The updated Horne 5 resource estimate is based on 5,977 diamond drill holes (478,281m) of which 4,138 crosscut mineralized zones for a total of 177,996m of core within these zones.

Falco's 2015-2016 confirmation and 2016 exploration drill holes were collared from surface. The 2015-2016 confirmation drill holes successfully confirmed previously drilled areas between 650m and 2,035m below surface. The 2016 exploration drill results completed thus far and which were included in the resource locally expanded known resource envelops and strengthened the geological model. The historic Noranda holes were collared at depths ranging from 600m to 2,300m below surface across a strike length of up to 1,000m. The majority of drilling was conducted as radiating "fan drilling" on 15m spacing from 40 underground working levels developed throughout the deposit. The 15m spacing is significantly closer than standard drill spacing used in resource estimation work at present day providing a very high level of confidence in the data. Falco sampled at 1m intervals, Noranda dominantly sampled at 3m core lengths (which homogenizes individual higher grade results), generating the more than 92,000 assays that were used in the resource estimate.

The 43-101 technical report will be delivered and filed on SEDAR within the next 45 days.

Table 1 - Horne 5 Deposit - Mineral Resource Estimate

Resource Class	Cut-off (NSR C$)	Tonnes	Au Equivalent g/t	Au g/t	Ag g/t	Cu %	Zn %	Contained Au EQ (oz)	Contained Au (oz)	Contained Ag (oz)	Contained Cu (lbs)	Contained Zn (lbs)
Measured	> 40	11,644,000	2.21	1.42	15.46	0.17	0.73	826,722	530,386	5,789,209	42,781,845	186,158,3
	> 45	10,884,200	2.28	1.47	15.74	0.17	0.75	799,424	513,969	5,506,283	41,196,031	180,655,2
	> 50	10,118,600	2.36	1.52	16.01	0.18	0.78	769,095	495,643	5,207,294	39,505,764	174,219,2
	> 55	9,361,800	2.45	1.58	16.33	0.18	0.81	736,424	475,410	4,914,349	37,672,449	167,402,7
	> 60	8,643,600	2.53	1.64	16.61	0.19	0.84	702,781	454,619	4,616,673	35,830,796	160,164,0
	> 65	7,885,500	2.62	1.70	16.90	0.19	0.87	664,417	431,243	4,285,355	33,782,384	151,210,2
	> 70	7,193,300	2.71	1.77	17.19	0.20	0.90	626,789	408,525	3,975,881	31,729,326	141,970,3
	> 75	6,477,100	2.81	1.84	17.48	0.21	0.92	585,214	383,485	3,639,181	29,410,622	131,694,5
	> 80	5,818,100	2.91	1.92	17.66	0.21	0.95	544,501	359,144	3,303,540	27,225,652	121,309,8
	> 85	5,202,300	3.01	2.00	17.77	0.22	0.96	504,116	335,148	2,972,444	25,141,955	110,615,2
	> 90	4,642,000	3.12	2.09	17.86	0.23	0.98	465,390	311,854	2,665,172	23,105,264	100,619,0
	> 95	4,100,200	3.23	2.18	17.99	0.23	1.00	426,051	287,638	2,371,119	21,144,745	90,605,67
	> 100	3,623,700	3.34	2.28	18.08	0.24	1.02	389,705	265,219	2,106,521	19,317,452	81,329,16

Resource Class	Cut-off (NSR C$)	Tonnes	Au Equivalent g/t	Au g/t	Ag g/t	Cu %	Zn %	Contained Au EQ (oz)	Contained Au (oz)	Contained Ag (oz)	Contained Cu (lbs)	Contain Zn (lbs
Indicated	> 40	101,193,300	2.18	1.40	13.28	0.16	0.78	7,106,710	4,561,707	43,216,888	361,222,169	1,732,3
	> 45	94,776,600	2.26	1.45	13.58	0.17	0.80	6,876,279	4,420,159	41,389,265	347,023,865	1,681,1
	> 50	88,312,700	2.33	1.50	13.88	0.17	0.83	6,620,424	4,263,292	39,423,671	331,909,656	1,621,3
	> 55	81,735,100	2.41	1.56	14.19	0.18	0.86	6,335,857	4,088,383	37,294,859	315,830,464	1,552,7
	> 60	75,030,900	2.50	1.61	14.53	0.18	0.89	6,021,290	3,893,721	35,042,172	298,866,949	1,475,0
	> 65	68,278,500	2.59	1.68	14.89	0.19	0.92	5,679,400	3,683,116	32,678,965	280,681,708	1,387,1
	> 70	61,663,700	2.68	1.75	15.24	0.19	0.95	5,319,671	3,463,531	30,211,981	261,810,565	1,291,1
	> 75	55,291,800	2.78	1.82	15.58	0.20	0.97	4,949,131	3,239,298	27,699,476	243,001,702	1,187,8
	> 80	49,387,700	2.89	1.90	15.88	0.21	0.99	4,583,656	3,020,056	25,211,029	224,864,386	1,082,8
	> 85	43,777,200	3.00	1.99	16.14	0.21	1.01	4,215,800	2,798,579	22,721,918	207,141,824	976,68
	> 90	38,485,300	3.11	2.08	16.37	0.22	1.03	3,849,377	2,577,589	20,255,648	189,790,010	870,54
	> 95	33,608,500	3.23	2.19	16.61	0.23	1.04	3,494,066	2,361,472	17,947,645	173,002,348	768,39
	> 100	29,224,100	3.36	2.30	16.79	0.24	1.04	3,158,286	2,158,014	15,772,309	157,207,719	670,57

Resource Class	Cut-off (NSR C$)	Tonnes	Au Equivalent g/t	Au g/t	Ag g/t	Cu %	Zn %	Contained Au EQ (oz)	Contained Au (oz)	Contained Ag (oz)	Contained Cu (lbs)	Containe Cu (lbs)
Measured + Indicated	> 40	112,837,300	2.19	1.40	13.51	0.16	0.77	7,933,432	5,092,093	49,006,097	404,004,	
	> 45	105,660,800	2.26	1.45	13.80	0.17	0.80	7,675,704	4,934,128	46,895,548	388,219,	
	> 50	98,431,300	2.34	1.50	14.10	0.17	0.83	7,389,520	4,758,936	44,630,965	371,415,	
	> 55	91,096,800	2.41	1.56	14.41	0.18	0.86	7,072,273	4,563,793	42,209,208	353,502,	
	> 60	83,674,500	2.50	1.62	14.74	0.18	0.89	6,724,071	4,348,340	39,658,845	334,697,	
	> 65	76,164,000	2.59	1.68	15.10	0.19	0.92	6,343,817	4,114,360	36,964,321	314,464,	
	> 70	68,857,000	2.69	1.75	15.44	0.19	0.94	5,946,460	3,872,056	34,187,862	293,539,	
	> 75	61,768,900	2.79	1.82	15.78	0.20	0.97	5,534,345	3,622,782	31,338,658	272,412,	
	> 80	55,205,800	2.89	1.90	16.07	0.21	0.99	5,128,157	3,379,201	28,514,569	252,090,	
	> 85	48,979,500	3.00	1.99	16.32	0.22	1.01	4,719,916	3,133,727	25,694,362	232,283,	
	> 90	43,127,300	3.11	2.08	16.53	0.22	1.02	4,314,767	2,889,443	22,920,820	212,895,	
	> 95	37,708,700	3.23	2.19	16.76	0.23	1.03	3,920,117	2,649,110	20,318,763	194,147,	
	> 100	32,847,800	3.36	2.29	16.93	0.24	1.04	3,547,992	2,423,233	17,878,830	176,525,	

Resource Class	Cut-off (NSR C$)	Tonnes	Au Equivalent g/t	Au g/t	Ag g/t	Cu %	Zn %	Contained Au EQ (oz)	Contained Au (oz)	Contained Ag (oz)	Contained Cu (lbs)	Containe Zn (lbs)

Inferred	> 40	29,982,700	2.09	1.27	20.20	0.18	0.62	2,018,308	1,225,760	19,474,995	121,579,421	408,634
	> 45	27,554,500	2.18	1.33	21.03	0.19	0.64	1,930,445	1,176,117	18,634,351	114,786,950	389,104
	> 50	24,940,000	2.28	1.39	21.98	0.20	0.66	1,826,125	1,116,815	17,622,512	107,406,534	365,167
	> 55	22,283,200	2.39	1.47	22.98	0.20	0.68	1,709,902	1,053,061	16,463,471	99,171,805	336,101
	> 60	20,058,400	2.49	1.54	23.94	0.21	0.70	1,604,361	995,491	15,437,436	91,439,498	309,347
	> 65	17,472,900	2.62	1.64	25.21	0.21	0.72	1,472,114	922,946	14,159,498	80,661,116	278,551
	> 70	15,293,600	2.75	1.74	26.48	0.21	0.74	1,352,929	856,634	13,019,250	71,823,610	249,906
	> 75	13,406,500	2.88	1.84	27.70	0.22	0.75	1,242,755	794,507	11,940,661	64,601,999	222,924
	> 80	11,528,900	3.04	1.96	29.10	0.23	0.77	1,126,483	727,514	10,784,724	57,409,881	195,709
	> 85	9,821,100	3.21	2.11	30.25	0.23	0.78	1,014,192	664,774	9,552,769	50,654,094	168,612
	> 90	8,222,900	3.41	2.29	30.98	0.25	0.77	902,741	604,603	8,189,164	44,700,861	139,977
	> 95	6,927,000	3.63	2.48	31.57	0.26	0.76	807,727	552,850	7,030,524	39,678,474	115,974
	> 100	5,912,700	3.84	2.68	32.15	0.27	0.74	729,660	509,966	6,112,206	35,554,367	96,081,0

Resource Estimate Notes:

1. *The effective date of the resource estimate is September 26, 2016. The Independent and Qualified Persons for the Mineral Resource Estimate as required by National Instrument 43-101 are Carl Pelletier, P. Geo., B.Sc. and Guilhem Servelle, P.Geo., M.Sc., both employees of InnovExplo Inc.*
2. *Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.*
3. *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.*
4. *These estimates include six (6) low grade gold-bearing mineralized zones.*
5. *The principal low-grade gold-bearing mineralized zone includes six (6) high-grade gold-bearing zones, one (1) high-grade copper-bearing zone, one (1) high grade zinc-bearing zone, three (3) high-grade silver-bearing zones. Note that these high-grade zones may overlap each other.*
6. *Resources were compiled at NSR cut-offs of C$40, C$45, C$50, C$55, C$60, C$65, C$70, C$75, C$80, C$85, C$90, C$95, and C$100 per tonne for sensitivity purposes.*
7. *The official base case resource is reported at a C$55 per tonne NSR cut-off.*
8. *The appropriate NSR cut-off will vary depending on prevailing economic and operational parameters to be determined.*
9. *NSR estimates are based on the following assumptions: exchange rate of $C1.30/$US, metal prices of (all $US): gold $1,300/oz, silver $18.50, copper $2.15/lb, zinc $1.00/lb (Long term analyst consensus price forecast study). Net recoveries of 86.8% for gold, 74.9% for silver, 67.3% for zinc and 74.0% for copper. Smelting cost (including transportation) C$6.52 per tonne (based on the Cost Mine service as well as on non-public smelter contract obtained from one of the proposed destinations and on talks with transport providers).*
10. *Gold equivalent calculations assume these same metal prices.*
11. *Inferred resources are separate from Indicated Resources*
12. *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.*
13. *The resource was estimated using Geovia GEMS 6.7. The estimate is based on 5,977 diamond drill holes (478,281m) of which 4,138 crosscut mineralized zones for a total of 177,996m of core within these zones. For silver the estimate also uses the results of an exhaustive metallurgical test comprising 2,112 diamond drill holes assayed for silver over a total length of 75,540 meters. A minimum true thickness of 7.0 m was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed. Only the silver interpolation in the Inferred resources does not use the material when not assayed.*
14. *The estimate database contains also 14,799 channel samples for a total of 23,791m from drifts historically sampled. Channel sample data was only used for distance to composite criterion for resource classification purposes.*
15. *91% of density values were estimated using historical drill hole iron assays data and Falco density data for an average of 3.41 g/cm3. Interpolation method use 3 pass ID2 for the ENV_A and HG_A to HG_F zones. 8% of density values were fixed at 2.88 g/cm3 for ENV_B to ENV_E zones due to the scarcity of the data. 2.88 g/cm3 representing the median of the available data. 1% of density values were fixed at 2.67 g/cm3 for ENV_F zone due to the scarcity of the date and to adequately characterise this quartz-rich zone.*
16. *Compositing was done on drill hole sections falling within the mineralized zones (composite = 3.0 metres). Tails shorter than 0.75 m were not created.*
17. *Resources were evaluated from drill holes using an ID2 interpolation method in a block model (block size = 5 x 5 x 5 m).*
18. *High grade capping was done on raw assay data and established on a per zone basis for gold (Au g/t): (HG_A: 35; HG_B: 35; HG_C: 25; HG_D: 35; HG_E: 25; HG_F: 35; ENV_A: 35; ENV_B: 25; ENV_C: 25; ENV_D: 20; E NV_E: 35; ENV_F: 25) and for silver (Ag g/t): SG_HG:100; HG_D: 165; HG_F: 165; ENV_A_SG_Low: 110; ENV_B: 100; ENV_C: 100; ENV_D: 100. Capping grade selection is supported by statistical analysis. No capping was applied to the Cu and Zn data based on statistical analysis.*
19. *The Mineral Resources presented herein are categorized as Measured, Indicated and Inferred. The Inferred category is only defined within the areas where blocks were interpolated during pass 1 or pass 2 in areas where continuity is sufficient to avoid isolated blocks. The Indicated category is only defined by blocks interpolated in areas where the maximum distance to the closest drill hole composite is less than 25m for blocks interpolated in passes 1 and 2. The Measured category is only defined by blocks classified as indicated and in sufficient proximity to sampled drifts (< 15m). The average distance to the nearest composite is 6.97 meters for the Measured resources, 10.01 meters for the Indicated resources and 40.10 meters for the Inferred resources.*
20. *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.*
21. *CIM definitions and guidelines were followed in estimating mineral resources.*

22. *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.*
23. *Metal contained in ounces (troy) = metric tonnes x grade / 31.10348. Calculations used metric units (metres, tonnes and g/t). Metal contents are presented in ounces and pounds*

Qualified Person

Carl Pelletier (P.Geo., B.Sc.) and Guilhem Servelle (P.Geo., M.Sc.) are the qualified persons as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects for the mineral resource estimate Data in this release as it relates to the technical information related to the 2014 and 2016 Horne 5 Project Resource Estimate update and they have reviewed and verified the technical information contained herein. Messrs. Pelletier and Servelle are consulting geologists with InnovExplo Inc. and fulfill the requirements to be "qualified person" for the purposes of NI 43-101.

Claude Bernier, Exploration Manager, (P.Geo. Eng.) is the qualified person for this release as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects and has reviewed and verified the technical information contained herein. Mr. Bernier is an employee of Falco and is non-independent.

The scientific and technical information regarding the Cut-off evaluation set out in this news release has been approved by Francois Girard, Deputy Director - InnovExplo Inc. Mr. Girard is a Eng. with the *Ordre des ingÃ©nieurs du QuÃ©bec*, and is a "qualified person" as defined by NI 43-101.

QA/QC

Falco has implemented a strict quality-control program to comply with best practices in the sampling and analysis of drill core. As part of its QA/QC program, Falco inserts certified external mineralized standards. In the mineralized zones, each shipment is comprised of 27 samples in 2015 and 20 samples in 2016. Every shipment is composed of 23 or 20 samples, a standard, a blank, a pulp duplicate (in 2015) and a reject duplicate placed at the end of the batch to test the laboratory analysis methods and precision for each shipment of samples. Blanks and standards are inserted within the normal sample number sequence. Assay results and certificates of analysis are interpreted and reported on a regular basis. If anomalies are detected, the laboratory is advised and the entire batch of samples is re-assayed. In non-mineralized zones, every shipment is composed of 27 or 20 samples, which includes a standard and a blank. In non-mineralized zones, if anomalies are detected, the laboratory is advised, but the batch of samples is not necessarily re-assayed.

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. An 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 completion of a Feasibility Study by the end of 2017, the results of ongoing and proposed drilling program on Horne 5 West and Quemont Extension, the development of the Horne 5 project to become a mining project. 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 reliability of the historical data referenced in this press release 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.

Image Available:
http://www.marketwire.com/library/MwGo/2016/10/2/11G116522/Images/Falco1-6d16c75ec6098e198e0ddc232b76b10f.jpg
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