

NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION TO UNITED STATES

[Falco Resources Ltd.](#) ("Falco" or the "Company") (TSX VENTURE:FPC) is pleased to announce that it has entered into an agreement with a syndicate of underwriters, co-led by BMO Capital Markets and Macquarie Capital Markets Canada Ltd., pursuant to which the underwriters have agreed to buy on a bought deal basis, 19,380,000 units of the Company ("Units") at a price of C\$1.29 per Unit (the "Offering"), representing aggregate gross proceeds to Falco of C\$25,000,200. The Company has granted the underwriters an option, on the same terms and conditions as the Offering, for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the Offering to cover over-allotments, if any. BMO Capital Markets is the sole bookrunner on the Offering.

Each Unit consists of one common share ("Common Share") of Falco and one-half of one common share purchase warrant (each whole common share purchase warrant a "Warrant") of Falco. Each full Warrant will entitle the holder thereof to purchase one Common Share of the Company at a price of C\$1.70 per Common Share, for a period of 18 months following the Closing Date.

The net proceeds of the Offering will be used to advance the Horne 5 Deposit, including the dewatering program, refurbishing of the shaft and ordering of long-lead items, and for general corporate purposes.

The Units to be issued under the Offering will be offered by way of a short form prospectus in all of the provinces of Canada.

The offering is anticipated to close on or about June 7, 2017 (the "Closing Date") and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and the applicable securities regulatory authorities.

As per the financing completed by the Company on July 22, 2015, certain Québec institutional partners of the Company have rights to maintain their current proportional equity ownership in the Company.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements thereunder.

#### About Falco Resources Ltd.

Falco is one of the largest mineral claim holders in the Province of Québec, with extensive land holdings in the Abitibi Greenstone Belt. Falco owns 68,800 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 5 Project located in the former Horne Mine that was operated by Noranda from 1927 to 1976 and produced 11.6 million ounces of gold and 2.5 billion pounds of copper. [Osisko Gold Royalties Ltd.](#) is the largest shareholder of the Company and currently owns 14.2% of the outstanding shares of the Company.

#### Cautionary Statement on Forward-Looking Information

*This news release contains forward-looking statements and forward-looking information (together, "forward looking statements") within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995, respectively. Statements, other than statements of historical facts, may be 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, the negative of these terms and similar terminology although not all forward-looking statement contains these terms and phrases. Without limiting the generality of the foregoing statements with respect to the Company meeting all conditions for a timely closing of the Offering, including obtaining all required approvals. 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. These risk and uncertainties include, but are not limited to, the failure to obtain the delivery and installation of the service and auxiliary hoist in 2018 and realization of time savings and the risk factors set out in Falco's annual and/or quarterly management discussion and analysis and in other of its public disclosure documents filed on SEDAR at [www.sedar.com](http://www.sedar.com), as well as all assumptions regarding the foregoing. 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 time frame 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. 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.*

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