Falco Announces Positive Feasibility Study Results on Horne 5 Gold Project

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MONTREAL, QC--(Marketwired - October 16, 2017) -

-Top Quartile Project at All-In Sustaining Costs of US$399/oz Au, net of By-Product Credits
-All-In Cost (CAPEX plus OPEX) at US$643/oz Au
-Annual Payable Gold Production of 219,000 Ounces for 15 Years
-After-Tax IRR of 15.3%

Falco Resources (TSX VENTURE: FPC) ("Falco" or the "Company") is pleased to announce the results of a feasibility s
"Feasibility Study") prepared in accordance with National Instrument 43-101 ("NI 43-101") for the Company's Horne 5
("Horne 5 Project" or the "Project") located in Rouyn-Noranda, QuÃ©bec, Canada. *Unless otherwise stated, all dollar a*
quoted in U.S. dollars ("$").*

The Feasibility Study indicates that the Horne 5 Project represents a robust, high margin, fifteen year underground mini
with attractive economics in the current gold price environment. The Feasibility Study was prepared by BBA Inc., under
direction of Mr. Luc Lessard, P. Eng., President and Chief Executive Officer of the Company, and its Vice-Presidents M
Francois Vezina, P. Eng., Christian Laroche, P. Eng., and Mrs. HÃ©lÃ¨ne Cartier, P. Eng. LLB, the Osisko Gold Royalti
team, and included contributions from the geological and engineering teams at BBA Inc., InnovExplo Inc., Golder Assoc
WSP Canada Inc., SNC-Lavalin Stavibel Inc., and IngÃ©nierie RIVVAL Inc. At a gold price of $1,300/oz and using an e
rate of C$1.00 = US$0.78, the Feasibility Study shows that the Horne 5 Project would generate an after-tax net present
("NPV"), at a 5% discount rate, of $602 million and an internal rate of return ("IRR") of 15.3% after-tax. In this scenario,
could become the next significant gold producer in QuÃ©bec, with a production profile averaging 219,000 payable ounc
over the life of mine, with an all-in sustaining cash cost of $399 per ounce net of by-product credits and all-in cost, CAP
OPEX, estimated at $643 per ounce. The Environmental Impact Assessment ("EIA") study, which has been initiated by
Canada Inc., is expected to be completed in the fourth quarter of 2017.

Mr. Luc Lessard, Falco's President and Chief Executive Officer commented: "We are very pleased with the results of th
Study on the Horne 5 Project, which demonstrates the robust economics of bringing this world-class deposit back into p
The Feasibility Study firmly establishes the Horne 5 Project as one of the best undeveloped gold projects by value and
today's gold-price environment. The Feasibility Study envisions a state-of-the-art operation with a high level of automat
Horne 5 Project benefits from being situated in one of the world's best mining jurisdictions, where a high level of underg
mining expertise is readily available. We believe our advantageous location and the availability of existing infrastructure
potential to positively impact the long term viability of the Horne 5 Project."

The realized Project would have a significant impact on the Abitibi-TÃ©miscamingue region, with the potential of gener
$6.6 billion of gross revenue and contributing approximately 500 permanent, well remunerated jobs.

FEASIBILITY STUDY HIGHLIGHTS

*BASE CASE IS STATED USING GOLD PRICE OF $1,300 PER OUNCE, SILVER PRICE OF $19.50 PER OUNCE, C
PRICE OF $3.00 PER POUND, ZINC PRICE OF $1.10 PER POUND AND AN EXCHANGE RATE OF C$1.00 equal to*

- NPV of $1,012 million at a 5% discount rate and an IRR of 18.9% before taxes and mining duties;
- NPV of $602 million at a 5% discount rate and an IRR of 15.3% after taxes and mining duties;
- Mine life of 15 years, with peak-year payable production of 268,000 ounces, average life-of-mine ("LOM") annual
  production of 219,000 ounces of gold and 235,000 ounces at steady-state;
- Net payable gold recovery of 88.1%;
- 3,741,000 ounces of contained gold;
- 3,294,000 ounces of payable gold LOM;
- 1,007 million pounds of payable zinc LOM;
- 229 million pounds of payable copper LOM;
- 26.3 million ounces of payable silver LOM;
- 80,897,000 tonnes total ore material mined;
- 2.37 g/t AuEq average diluted gold equivalent grade;
- 1.44 g/t Au average diluted gold grade;
- All-in Sustaining Costs* of $399/oz net of by-product credits, including royalties, over LOM;
- All-in cost, CAPEX plus OPEX, is estimated at $643 per payable ounce;
- C$41.00 per tonne milled total unit operating cost;
- Pre-Production Construction costs of $801.7 million, including a $58.5 million contingency and excluding $26.7 m
  capital outlays to August 31st, 2017;

- Payback period of 5.2 years pre-tax and 5.6 years post-tax;
- Gross revenue of $6.6 billion and operating cash flow of $2.7 billion LOM;
- Process plant commissioning in first half of 2021;
- Full mine production in first half of 2022.

**All-in Sustaining Costs are presented as defined by the World Gold Council less Corporate G&A*

SUMMARY ECONOMICS AT $1,300 GOLD PER OZ

Total LOM NSR Revenue ($M)	$6,617.4
Total LOM Operating Cash Flow ($M)	$2,691.7
Total LOM Pre-Tax Cash Flow ($M)	$2,162.4
Average Annual Pre-Tax Cash Flow ($M)	$205.4
LOM Income Taxes ($M)	$784.7
Total LOM After-Tax Free Cash Flow ($M)	$1,377.7
Average Annual After-Tax Free Cash Flow ($M)	$146.1
Discount Rate	5%
Pre-Tax NPV 5% ($M)	$1,012
After-Tax NPV 5% ($M)	$602
Pre-Tax IRR	18.9%
After-Tax IRR	15.3%
Pre-Tax Payback (Years)	5.2
After-Tax Payback (Years)	5.6

ALL-IN CASH COSTS, INCLUDING SUSTAINING CAPEX

Mining Cost ($M)	$795.3
Processing Cost ($M)	$1,290.3
Tailings & Water Management ($M)	$320.8
General & Administrative Cost ($M)	$180.5
Refining & Smelting ($M)	$493.5
Royalties ($M)	$122.5
By-Product Credit ($M)	($2,337.9)
Cash Cost ($/oz)	*$260*
Sustaining ($M)	$417.6
Closure ($M) (net of salvage value)	$32.9
TOTAL ($M)	$1,315.4
All-in Cash + Sustaining Cost ($/oz)	*$399*

SENSITIVITIES
BASE CASE IN BOLD

Gold Price US$/oz	$1,100	$1,200	$1,250	$1,300	$1,400	$1,500	$1,600
Pre-Tax NPV 5% $M	$631	$822	$917	$1,012	$1,202	$1,392	$1,582
After-Tax NPV 5% $M	$365	$485	$544	$602	$718	$831	$944
Pre-Tax IRR	14.2%	16.6%	17.7%	18.9%	21.0%	23.1%	25.1%
After-Tax IRR	11.6%	13.5%	14.4%	15.3%	17.1%	18.7%	20.3%
Pre-Tax Payback Years	6.4	5.7	5.5	5.2	4.8	4.3	4.0
After-Tax Payback Years	6.8	6.1	5.8	5.6	5.2	4.8	4.5
FX: C$1.00: US$	$0.87	$0.84	$0.81	$0.78	$0.75	$0.72	$0.69
Pre-Tax NPV 5% $M	$644	$758	$880	$1,012	$1,154	$1,308	$1,475
After-Tax NPV 5% $M	$373	$446	$522	$602	$689	$781	$881
Pre-Tax IRR	14.4%	15.8%	17.3%	18.9%	20.5%	22.2%	24.0%
After-Tax IRR	11.7%	12.9%	14.1%	15.3%	16.7%	18.0%	19.4%
Pre-Tax Payback Years	6.4	6.0	5.6	5.2	4.9	4.5	4.2
After-Tax Payback Years	6.7	6.3	5.9	5.6	5.3	4.9	4.6

OPPORTUNITIES TO ENHANCE VALUE

Although Falco considers the Feasibility Study results using the base case to be excellent, future trade-off studies are anticipated to evaluate alternate development scenarios that would be used to reduce the initial capital requirements and increase revenue in the early stage of the LOM. Items to be reviewed include: (1) the significant exploration potential for discoveries at depth and around the Horne 5 Project, and the possibility to increase resources and extend mine life as further definition drilling may convert some of the existing Inferred mineral resources to the Indicated or Measured mineral resource categories; (2) determining whether larger underground stopes can be implemented through continued geotechnical investigations, simulations and detailed mining studies; (3) determining whether the leach and carbon in pulp ("CIP") circuits in the process plant should be replaced by carbon in leach ("CIL") circuits, for which a trade-off study is recommended to select the circuit that has the best overall economics; and (4) determining whether the application of pre-assembled steel structures, pre-cast foundations and pre-fabricated buildings can reduce capital costs and shorten the on-site construction period.

FEASIBILITY STUDY DETAILS

CONTRIBUTORS

The independent Feasibility Study was prepared through the collaboration of a number of industry-recognized consultin including BBA Inc. ("BBA", Montreal, QC), Golder Associates Ltd. ("Golder", Montreal, QC), InnovExplo Inc. ("InnovExp d'Or, QC), WSP Canada Inc. ("WSP", Rouyn-Noranda, QC), SNC-Lavalin Stavibel Inc. ("SNC-Lavalin", Rouyn-Noranda IngÃ©nierie RIVVAL Inc. ("RIVVAL", Deux-Montagnes, QC). These firms provided mineral resource estimates, design and cost estimates for mine operations, processing facilities, major equipment selection, waste and tailings storage, rec permitting, operating and capital expenditures. A summary of contributors to the Feasibility Study is included in the tabl

Consulting Firm or Entity	Area of Responsibility
BBA	- Metallurgical testwork analysis, processing plant design; - Process plant capital costs and operating costs; - Electrical and IT infrastructure design and costs (supply and on-site); - Market studies and contracts; - General and administration operating costs; - Financial Analysis and overall NI 43-101 integration.
InnovExplo	- Current and historical geology, exploration, drilling, sample preparation and QA/QC, and d - Geological modelling and mineral resource estimate; - Mineral reserves estimate; - Underground mine design, underground infrastructure and material handling, ventilation, p scheduling, underground capital costs and operating costs, void evaluation; - Historical data review.
Golder	- Waste rock, tailings, mineralization and water geochemical characterization; - Water treatment plant design, capital and operating costs; - Underground high density sludge, slurry and paste backfill and slurry tailings distribution s and costs; - Surface tailings and waste rock management facility and water management designs and closure costs; - Surface tailings, reclaim and fresh water transport system design and costs; - Mine site water management infrastructure design and costs; - Rock mass characterization and rock mechanics input to underground mine design and gu - Hydrogeology input to underground mine design; - Geotechnical input for the surface infrastructure design.
WSP	- Environmental studies, permitting, mine closure requirements and Horne 5 Mining Comple - Regulatory context, social considerations, and anticipated environmental issues; - Headframe and hoist room design and costs; - Shaft design and associated underground work and costs; - Ore handling system from underground mine (phase 1) to surface stockpile, design and co - Paste backfill plant design, capital and operating costs.
SNC-Lavalin	- Existing infrastructure, municipal infrastructure and relocation, design and costs; - Site access road, security gate and light vehicle road design and costs; - First-aid and emergency services, costs; - Site utilities design and costs.
RIVVAL	- Railway engineering design and costing.

MINERAL RESOURCE ESTIMATE

The mineral resources presented in the Feasibility Study are based upon an updated mineral resource estimate (the "current MRE") effective as of July 25, 2017, prepared by Carl Pelletier, P.Geo, using available information. The main objective was to update the previous NI 43-101 mineral resource estimate for the Horne 5 deposit, which was prepared by InnovExplo and published in a report titled "Technical Report and Updated Mineral Resource Estimate for the Horne No. 5 Deposit", dated November 7, 2016 (Pelletier et al., 2016) (the "November 2016 MRE").

The current MRE is mainly based on changes made to the NSR parameters, supported by new assumptions concernin prices and net recoveries. Three additional DDH and 41 updated downhole surveys from the 2015-2016 confirmation d program were also used in the current MRE. No changes to the interpretation were deemed necessary. The mineral res model for the current MRE is based largely upon the model generated for the November 2016 MRE (Pelletier et al., 201

The current MRE is compliant with CIM standards and guidelines for reporting mineral resources and reserves. The sel cut-off of 55$/t allowed the mineral potential of the deposit to be outlined for an underground mining option. While the re presented undiluted and in situ, the reported mineral resources are considered by the QP, as defined below, to have re prospects for economic extraction.

The results of the current MRE at the base case cut-off of $55 NSR are presented in the table below. InnovExplo estim Horne 5 deposit contains, based on an NSR cut-off of 55$/t, Measured Mineral Resources of 9,259,600 tonnes at 2.59 (gold equivalent) for a total of 769,885 oz AuEq, Indicated Mineral Resources of 81,855,200 tonnes at 2.56 g/t AuEq fo 6,731,443 oz AuEq, and Inferred Mineral Resources of 21,500,400 tonnes at 2.51 g/t AuEq, for a total of 1,735,711 oz A

Mineral Resources Table(1)

Resource Category	Tonnes (Mt)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Contained AuEq (Moz)	Contained Au (Moz)	Contained Ag (Moz)	Contained Cu (Mlbs)	Contained Zn (Mlbs)
Measured	9.3	2.59	1.58	16.2	0.19	0.83	0.770	0.470	4.824	38.0	168.5
Indicated	81.9	2.56	1.55	14.74	0.18	0.89	6.731	4.070	38.796	325.4	1,599.3
Inferred	21.5	2.51	1.44	23.04	0.20	0.71	1.736	1.000	15.925	96.3	337.2

(1)Please refer to the Mineral Resources Notes below.

MINERAL RESERVE ESTIMATE

The Mineral Reserves estimate for the Horne 5 Project was prepared by Mr. Patrick Frenette, P. Eng., an employee of Inc. (effective as of August 26th, 2017). The Mineral Reserves estimate stated herein is consistent with the CIM Standa Mineral Resources and Mineral Reserves and is suitable for public reporting. As such, the Mineral Reserves are based Measured and Indicated Mineral Resources, and do not include any Inferred Mineral Resources. Measured and Indicat resources are inclusive of Proven and Probable reserves.

The Feasibility Study LOM and Mineral Reserves estimate were developed from the November 2016 MRE and do not c current MRE. Updated metal prices, exchange rates and recovery equations from the current MRE were used to calcul flows used to support the Mineral Reserve estimate. As of the date of this report, the QP, as defined below, has not ide risks, legal, political or environmental, that would materially affect potential development of the Mineral Reserves other third party approval previously mentioned.

Statement of mineral reserves (as of August 26, 2017)

Category	Tonnes (Mt)	NSR ($)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Proven	8.4	91.72	1.41	15.75	0.17	0.75
Probable	72.5	92.56	1.44	13.98	0.17	0.78
P&P	80.9	92.41	1.44	14.14	0.17	0.77

1. The QP, as defined below, for the Mineral Reserve estimate is Mr. Patrick Frenette (InnovExplo).
2. Estimated at $2.15/lb Cu, $1.00/lb Zn, $1,300/oz Au and $18.50/oz Ag, using an exchange rate of C$1.00:US$0.7 NSR value of C$55.00/t. Metallurgical recoveries and other parameters for the November 2016 MRE are shown i of the Feasibility Study.

3. Mineral Reserve tonnage and mined metal have been rounded to reflect the accuracy of the estimate and numbe add due to rounding.
4. Mineral Reserves presented include both internal and external dilution along with mining recovery. The external d estimated to be 2.3%. The mining recovery factor was set at 95% to account for mineralized material left in the m deposit in each block.

CAPITAL AND OPERATING COSTS SUMMARY

Capital Costs ($M)	Pre-Production	Sustaining	Total[1]
Mining (includes development contingency)	$200.4	$253.6	$454.0
Mineral Processing Plant	$296.0	$10.2	$306.1
Electrical and Communication	$14.2	$1.8	$16.0
Project Infrastructure	$76.9	$3.7	$80.6
Tailings and Water Management	$53.0	$148.4	$201.4
Indirects	$65.9	--	$65.9
Owner's Costs	$36.8	--	$36.8
Site restoration (net of salvage value)	--	$32.9	$32.9
Subtotal	$743.2	$450.5	$1,193.7
Contingency	$58.5	--	$58.5
Total Capital Costs [2]	$801.7	$450.5	$1,252.2
Capital Cost per Payable Oz Au ($/oz)	$243		
CAPEX per Oz ($/oz)	$243		
OPEX per Oz ($/oz)	$399		
All-In Cost per Oz ($/oz)	*$643*		

[1] Totals may differ due to rounding.
[2] Excludes $26.7 million in outlays to August 31st, 2017 (sunk costs).

Operating Costs	C$/t Milled
- Mining	C$12.60
- Processing	C$20.45
- Tailings & Water Management	C$5.08
- General & Administration	C$2.86
Total Operating Costs	*C$41.00*

MINING

The underground deposit is located at a depth of approximately 600 metres to 2,300 metres below surface. The existin #2 shaft, which extends to a depth of approximately 1,200 metres, would need to be rehabilitated. The shaft would prov hoisting of mineralized material and waste, services personnel and materials, and the supply of ventilation to the under workings in development stage. As previously stated, the access to and use of the QuÃ©mont #2 shaft by Falco is cont entering into a license agreement with the owner of such infrastructure.

The mine has been designed to have low operating costs through the use of large, modern equipment, gravity transpor mineralized material through raises, shaft hoisting, minimal mineralized material and waste re-handling, and high produ mining methods. The mine is designed to employ state-of-the-art technology. Highly automated and using remote contr equipment, the mine would be able to operate 21-tonne loaders to transport muck to the ore pass systems. The underg crushing facility would be fed by two ore pass systems. The crushed mineralized material would then be transported via 250-metre conveyors and transferred to a 600-metre conveyor leading to the shaft loading point, where it would be hois surface using 43.5-tonne skips on a continuous basis. For servicing the mine, the shaft would have a double-deck servi 2.4 metres by 4.0 metres and a double-deck auxiliary cage. Paste backfill would be used to fill the extracted stopes and stability of the adjacent stopes and avoid or minimize dilution.

The Company expects to use transverse long hole as the primary mining method and will favor the minimization of dilut mineral resource recovery. The Company believes that the mineral resource dilution will be below 3%.

PROCESSING

A Semi-Autogenous-Ball milling ("SAB") facility on surface will be used to process an average of 15,790 tonnes per day of mineralized material at steady-state. The facility would also include a flotation and thickening section, divided in three circuits and dedicated to recovering copper, zinc and pyrite concentrates. The copper and zinc circuits would have their concentrate filtered to reduce humidity to 9%. Both concentrates would be stored directly in trucks and railcars, awaiting shipment. The pyrite concentrate will require a finer liberation to achieve improved gold recovery by cyanide leaching, resulting in the requirement to regrind from the primary grind size of 55 microns to the targeted P_{80} of 12 microns. The resulting reground pyrite concentrate would then be leached along with the pyrite flotation tailings in separate leaching circuits, followed by CIP circuits. Thickeners would be used to maximize water and cyanide recovery, and the Caro's acid cyanide destruction method would be applied to reduce the cyanide content of the two leach streams. Both pyrite tailings and pyrite concentrate streams from flotation would be used as paste backfill in the new mine workings; excess volumes will be disposed of in existing historical openings, until the old mine openings are filled. Water liberated in the underground workings from the consolidated tailings would be recovered, recycled and pumped back to the process plant.

Gold, zinc, copper and silver metal would be recovered. The process plant would produce two concentrates and dorÃ© copper concentrate would have an estimated 16% copper content as well as payable gold and silver, and the zinc conc would have an estimated 52% zinc content. No precious metal will be payable in the zinc concentrate. The payable gol estimated to average 88.1% over the LOM and estimated payable recoveries average 75.8% for copper, 72.9% for zinc for silver. Copper and zinc concentrates have been analyzed and are considered to be free of deleterious elements and expected to be readily marketable to both smelters and traders.

The process plant facility would include a wet laboratory, mill offices, a mill dry and a maintenance shop.

SURFACE INFRASTRUCTURE

The Horne 5 Project, located within the industrial park and former mine infrastructure (Quemont and Horne Mines) of th Rouyn-Noranda, QuÃ©bec, a mining community of over 41,500 people, benefits from great infrastructure. As important physical infrastructure in the Rouyn-Noranda region is the high level of underground mining expertise that is readily ava region. The Company believes its advantageous location has the potential to positively impact the long term viability an attractiveness of employment at the Horne 5 Project, given that employees and contractors could work in the communit in, a rare opportunity in the mining industry.

The Horne 5 Project is located 1.1 km from route 101 and 4.0 km of the Trans-Canada Highway, with all services readil at site. The Horne 5 Project is also located less than 700 meters from the operating Horne custom copper smelter, whic both copper concentrates and precious metal-bearing recyclable materials as its feedstock to produce 99.1% copper an Development of the future mine would be done on the former Quemont mine site, the surface rights for which were acq Falco. Acquisition of land adjacent to the currently proposed mine site would likely be necessary for some of the new in Electric power would be supplied to the site at a voltage level of 120 kV, originating from the nearby Hydro-QuÃ©bec, Rouyn-Noranda substation, approximately 1 km away.

The Horne 5 Project envisions the following key infrastructure items to support the mine to be constructed: site access parking area, process plant and paste backfill plant, maintenance shop and warehouse, mine office building and dry, ad building, headframe and shaft house, hoist room, 120kV sub-station and railway spur lines and storage area.

As previously stated, the access to and use by Falco of surface rights and infrastructure not owned by it may, in some i be contingent upon entering into a license agreement with the owner of such surface rights. The conduct of activities on 5 Project, including pre-production dewatering activities, will be subject to Falco securing licenses from the owner of su infrastructure, some of which are located on the mining concession CM-243, the ownership of which remains with a thir

Indirect costs such as owner's costs; engineering, procurement and construction management; temporary facilities for c freight for process and major electrical equipment; pre-operational verifications; commissioning support; vendor represe capital spares; one year operating spares; commissioning spares; first fills; and temporary power for construction are es $102.7 million. An additional $58.5 million has been budgeted as contingency for specific direct and indirect costs.

ENVIRONMENT AND SITE RESTORATION

Environmental baseline studies were initiated in 2016 and have continued throughout 2017 to support the permitting pr

the project timeline.

The Horne 5 Project will require a provincial decree and federal authorisations. The project is subject to a provincial imp
assessment, including public hearings, as forecasted production is over the 2,000 tonnes per day threshold outlined in
applicable regulation. The Project will also be subject to a federal impact assessment study. The Company has already
an application for a certificate of authorization under Sections 22 and 31.75 of the Environmental Quality Act to be issu
Ministry of Sustainable Development, Environment and the Fight against Climate Change, to support the dewatering ar
management strategy.

During the dewatering stage, which is expected to last 25 months, high density sludge from the water treatment will be
old Donalda and Quemont underground mine openings. Tailings produced during the operations will be stored in old un
openings either in the form of slurry or paste backfill during the first two years of operations. Paste backfill will continue
produced throughout the entire life of mine. The remainder of the tailings produced will be stored at surface in a tailings
management facility. The Company has identified an old tailings management facility located at approximately 11 km fr
of Rouyn-Noranda, a site already impacted by historical mining activities, to serve for the surface storage of tailings for
Project. Discussions for the acquisition of the site are ongoing. Two pipelines, 18 km in length, will transport the tailings
Quemont site to the surface tailings management facility. Waste rock that is not used for underground mining operation
used as construction material at the tailings management facility.

A closure and rehabilitation plan for the sites has been developed in accordance with the Mining Act of QuÃ©bec. Site
costs were estimated at $68 million, less $35.1 million of equipment salvage value, resulting in a restoration cost (net o
value) of $32.9M. The site restoration cost estimate for the Horne 5 Project is based on the dismantling of the mine buil
the restoration of the tailings management facilities. The Company intends to dismantle all buildings that would have se
mining operations. Given the proximity of the site to the city and the existence of very little infrastructure of this type in
Rouyn-Noranda, these buildings could be reused or modified for other uses. This cost estimate includes the cost of site
as well as post-closure monitoring. In accordance with the regulations, the Company intends to post a bond as a guara
the site restoration cost.

The conduct of the foregoing activities remains subject to Falco obtaining the required licenses from the owner of the in
For greater certainty, such license will include a complete indemnity relating to the restoration and rehabilitation of such
infrastructure.

STAKEHOLDER ENGAGEMENT

The Company is committed to taking a proactive approach to its public consultation process and has been working dilig
identify as many stakeholders as possible in the Rouyn-Noranda and Abitibi region. Over the past 36 months more thar
and public community meetings have been held with various stakeholders.

Based upon our numerous community meetings held throughout the region, there is strong community support for the H
Project. Development of the mine would bring substantial economic development to the City of Rouyn-Noranda and the
surrounding region. A construction workforce of 800 people would be created at the peak of an 18-month construction p
the mine would provide direct employment for approximately 500 people over its 15-year operating life.

The Company remains committed to working with the citizens of Rouyn-Noranda to build a plan for the Horne 5 Project
maximize benefits for the community, the Company's shareholders and other stakeholder groups.

PROJECTED TIMELINE

1. An EIA is scheduled for completion in the fourth quarter of 2017.
2. Permitting activities would be initiated following the completion of the EIA to support a 2019 construction start.
3. Process plant commissioning in first half of 2021.
4. Full mine production in first half of 2022.

Falco notes that the activities contemplated above, and the estimated timing proposed for commencement and comple
activities, is subject at all times to matters that are not within the exclusive control of Falco. These factors include the ab
obtain, and to obtain on terms acceptable to Falco, financing, governmental and other third party approvals, licenses, ri
and surface rights.

ROYALTIES AND RIGHTS

Glencore Canada Corporation retains a 2% NSR on all metals produced from the Horne 5 Project. Glencore Canada C also has rights of first refusal with respect to purchase or toll process all or any portion of the concentrates and other m products from the Horne 5 Project.

TITLE TO PROPERTY AND THIRD PARTY APPROVALS

Pursuant to an agreement between Falco and a third party, Falco owns rights to the minerals located below 200 meters surface of mining concession CM-156PTB, where the Horne 5 deposit is located. Falco also owns certain surface rights surrounding the QuÃ©mont #2 shaft located on mining concession CM-243. Under the agreement, ownership of the mi concessions remains with the third party.

In order to access the Horne 5 Project, the Company must obtain one or more licenses from the third party, which may unreasonably withheld, but which may be subject to conditions that the third party may require in its sole discretion. The conditions may include the provision of a performance bond or other assurance to the third party and the indemnificatio party by the Company. The agreement with the third party stipulates, among other things, that a license shall be subjec reasonable conditions which may include, among other things, that activities at Horne 5 will be subordinated to the curr the surface lands and subject to priority, as established in such party's sole discretion, over such activities. Any license for, among other things, access to and the right to use the infrastructure owned by the third party, including the QuÃ©m (located on mining concession CM-243) and some specific underground infrastructure in the former Quemont and Horn

Furthermore, Falco will also have to acquire a number of rights of way or other surface rights in order to construct and l ground the pipeline that will carry the tailings to a tailings management facility located at approximately 11 km from the Rouyn-Noranda.

While the Company believes that it should be able to timely obtain the licenses from the third party, and to acquire the r rights of way and other surface rights, there can be no assurance that any such license, right of way or surface right wil or if granted will be on terms acceptable to the Company and in a timely manner.

Although Falco believes that it has taken reasonable measures to ensure proper title to its assets, there is no guarantee any of assets will not be challenged or impugned.

INDEPENDENT QUALIFIED PERSONS

The Feasibility Study was prepared for Falco under the direction of BBA Inc., by leading independent industry consultan whom are qualified persons ("QP") under National Instrument 43-101. The QPs have reviewed and approved the conte news release. Independent QPs from BBA, InnovExplo, Golder, WSP, SNC-Lavalin and RIVVAL who have prepared or the preparation of the technical information relating to the Feasibility Study include:

- Colin Hardie, Pierre Lacombe (BBA);
- Carl Pelletier, Patrick Frenette, GeneviÃ¨ve Auger (InnovExplo);
- Michel Mailloux, Valerie Bertrand, Mayana Kissiova, Rob Bewick, Michael Bratty, Yves Boulianne, Janis Drozdiak Ouellet (Golder);
- Marie-Claude Dion St.-Pierre, Claire Hayek, Dominick Turgeon, StÃ©phane Lance (WSP);
- Luc Gaulin (SNC-Lavalin);
- Yves ValliÃ¨res (RIVVAL).

The Company's disclosure of technical or scientific information in this press release has been reviewed and approved b Lessard, P. Eng., President and Chief Executive Officer of Falco Resources Ltd., who serves as a QP under the definiti National Instrument 43-101.

CONFERENCE CALL DETAILS

Furthermore, Falco will be hosting a conference call to discuss the results on Monday, October 16 at 10:00 Eastern tim Falco Executive and Technical team.

Participants may join the call by dialing:

Operator Assisted Toll-Free Dial-In Number: (877) 223-4471
Participant International Dial-In Number: (647) 788-4922

A recorded playback of the call will be available two hours after the call's completion until October 23, 2017 by dialing (800) 585-8367 or (416) 621-4642 and entering the conference ID# 2090496.

MINERAL RESOURCE NOTES:

1. The effective date of the mineral resource estimate is July 25, 2017. The Independent QP for the Mineral Resource Estimate as required by National Instrument 43-101 is Carl Pelletier, P. Geo., B.Sc., employee of InnovExplo.
2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. While the results are presented undiluted and in situ, the reported mineral resources are considered by the QP to have reasonable prospects for economic extraction.
4. These estimates include six low-grade gold-bearing mineralized envelopes.
5. The main low-grade gold-bearing mineralized envelope includes six high-grade gold-bearing zones, one high-grade copper-bearing zone, one high grade zinc-bearing zone, and three high-grade silver-bearing zones. Note that these high-grade zones may overlap each other.
6. Mineral resources were compiled at NSR cut-offs of (in C$) $40, $45, $50, $55, $60, $65, $70, $75, $80, $85, $90, $95 and $100 per tonne for sensitivity purposes.
7. The official base case mineral resource is reported at a $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 C$1.00 /0.78 US$; Metal prices as follows: gold $1,300/oz, silver $19.50, copper $2.90/lb, zinc $1.10/lb (inspired from a long-term analyst consensus price forecast study); Net recoveries are variable in function of grade of each commodity. Smelting cost (including transportation) of C$6.52 per tonne (based on the cost mine service, as well as a non-public smelter contract obtained from one of the proposed destinations and talks with transport providers).
10. Gold equivalent calculations assume these same metal prices.
11. Inferred Mineral Resources are separate from Indicated Mineral Resources.
12. The quantity and grade of reported Inferred Mineral Resources are uncertain in nature and there has not been sufficient work to define these Inferred Mineral Resources as Indicated or Measured Mineral Resources. It is uncertain if further work will result in upgrading them to an Indicated or Measured mineral resource category.
13. The mineral resource was estimated using Geovia GEMS 6.8. The estimate is based on 5,980 diamond drill holes (483,254 m) of which 4,141 cut mineralized zones for a total of 178,150 m 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 metres. 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 mineral resources does not use the material when not assayed.
14. The estimate database also contains 14,799 channel samples for a total of 23,791 m from historically sampled drifts. Channel sample data was only used for distance to composite criterion for mineral resource classification purposes.
15. 91% of density values were estimated using historical iron assay drill hole data and Falco density data for an average of 3.41 g/cm^3. The interpolation method uses three passes for the ENV_A and HG_A to HG_F zones. 8% of the density values were fixed at 2.88 g/cm^3 for ENV_B to ENV_E due to the scarcity of the data. 2.88 g/cm^3 represents the median of the available data. 1% of density values were fixed at 2.67 g/cm^3 for ENV_F due to the scarcity of the data and to adequately characterize this quartz-rich zone.
16. Compositing was done on drill hole sections falling within the mineralized zones (composite = 3.0 m). Tails shorter than 0.75 m were not generated.
17. Mineral resources were evaluated from drill holes using an ID^2 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; ENV_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 reported Mineral Resources 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 25 m for blocks interpolated in passes 1 and 2. The Measured category is only defined by blocks classified as Indicated and within sufficient proximity to sampled drifts (< 15m). The average distance to the nearest composite is 6.97 m for the Measured mineral resources, 10.01 m for the Indicated mineral resources and 40.10 m for the Inferred mineral 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 forth 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.

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 about 67,000 hectares of land in the Rouyn-Noranda mining camp, which represents approximately 70% of the entire camp and includes 13 former gold and base metal mine sites. Falco's principal asset 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 13.3% 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, confirmation of the Feasibility Study results (including costs estimates, metal recoveries and expected production) and future upside through additional studies, timeline for achievement of the Feasibility Study and the EIA study, positive results of ongoing exploration work at the Horne 5 Project and regionally, realization of anticipated benefits for the Abitibi-TÃ©miscamingue region, timeline for further stage of development and related work at the Horne 5 Project, results of alternate development scenarios to be reviewed by the Company, maintaining social acceptability for the Horne 5 Project and the timely obtaining, as the case may be, by Falco of all required licenses, rights of way and surface rights from third parties owner of infrastructures or rights necessary to perform the activities contemplated in this press release on terms and conditions acceptable to the Company and such third parties. 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, the reasonability economic assumptions at the basis of the Feasibility, the risk related to the exercise of the back-in right by the Seller 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 mineral resources" and "indicated mineral 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 mineral resources" and "indicated mineral 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 mineral 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.

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