



## **FALCO ANNOUNCES UPSIZE TO PREVIOUSLY ANNOUNCED BOUGHT DEAL FINANCING TO \$32.5 MILLION AND CONCURRENT \$25 MILLION PRIVATE PLACEMENT**

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**(November 2, 2016) Montreal, Québec** - Falco Resources Ltd. ("Falco" or the "Company") (TSX.V: FPC) is pleased to announce it has amended the terms of its previously announced bought deal public offering to increase the size of the offering to \$32,501,030 (the "Upsized Offering").

Under the terms of the Upsized Offering, a syndicate of underwriters led by Haywood Securities Inc. (the "Underwriters") have agreed to purchase, on a bought deal basis, 21,029,000 units ("Units") of Falco at a price of \$1.07 per Unit for gross proceeds of \$22,501,030. The Underwriters have also agreed to purchase 7,812,500 flow-through shares ("Flow-Through Shares") at a price of \$1.28 per Flow-Through Share for gross proceeds of \$10,000,000. The Company has also granted to the Underwriters an over-allotment option to purchase up to an additional 3,154,350 Units and 1,171,875 Flow-Through Shares, exercisable by the Underwriters at any time up to 30 days following the closing date.

Each Unit will consist of one common share in the capital of the Company (a "Common Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one additional common share (a "Warrant Share") of the Company for a period of 18 months from the closing date of the Upsized Offering at an exercise price of \$1.45 per Warrant Share.

The expiry date of the Warrants may be accelerated by the Company at any time following the six-month anniversary of the closing of the Upsized Offering and prior to the expiry date of the Warrants if the volume-weighted average trading price of the Company's common shares is greater than \$1.75 for any 20 consecutive trading days, at which time the Company may accelerate the expiry date by issuing a press release announcing the reduced warrant term whereupon the Warrants will expire on the 20<sup>th</sup> calendar day after the date of such press release.

The net proceeds of the Upsized Offering will be used by the Company to advance the dewatering program related to the development of the Horne 5 Deposit and for general working capital.

Closing of the Upsized Offering is anticipated to occur on or about November 22, 2016 and is subject to receipt of applicable regulatory approvals including approval of the TSX Venture Exchange.

The Units and Flow-Through Shares will be offered by way of short form prospectus in all of the provinces of Canada and may also be offered in the United States to qualified institutional buyers pursuant to Rule 144A, and to certain accredited investors pursuant to an exemption under the U.S. Securities Act of 1933.

In addition, the Company is arranging a concurrent private placement of Units with strategic investors for additional aggregate gross proceeds of up to \$25 million (the "Private Placement").

Closing of the Private Placement is subject to receipt of applicable regulatory approvals including approval of the TSX Venture Exchange. Securities issued under the Private Placement will be subject to a four month hold period which will expire four months plus a day from the date of closing of the Private Placement.

### **About Falco**

Falco Resources Ltd. is one of the largest mineral claim holders in the Province of Québec, 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.

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*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](http://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.*