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For Immediate Release

TSX.V - FPC

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## **FALCO ANNOUNCES CLOSING OF \$36.5 MILLION BOUGHT DEAL FINANCING**

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**(November 22, 2016) Montreal, Québec**-Falco Resources Ltd. ("Falco" or the "Company") (TSX.V: FPC) is pleased to announce it has closed its previously announced bought deal prospectus offering (the "Offering") of 24,183,350 units (the "Units") at a price of \$1.07 per Unit, and 8,260,475 flow-through common shares (the "Flow-Through Shares") at a price of \$1.28 per Flow-Through Share for aggregate gross proceeds of approximately \$36.5 million including 3,154,350 Units and 447,975 Flow-Through Shares issued pursuant to the partial exercise by the underwriters of the over-allotment option.

The Offering was conducted by a syndicate of underwriters led by Haywood Securities Inc., and including BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Desjardins Securities Inc., Beacon Securities Limited and M Partners Inc. The net proceeds of the Offering will be used for the continued exploration and development of the Horne 5 Project, for dewatering and rehabilitation of the Quemont 2 Shaft, pre-construction surface installation, and for working capital and general corporate purposes.

The proceeds received by the Company from the sale of the Flow-Through Shares will be used by the Company to incur sufficient Canadian exploration expenses (as defined in the Income Tax Act (Canada)) on the Horne 5 Project, on or before December 31, 2017 so as to enable the Company to renounce, effective on or before December 31, 2016, in favour of each purchaser of Flow-Through Shares, an amount equal to the aggregate purchase price for the Flow-Through Shares paid by such purchaser.

Each Unit entitles the holder to acquire, for no additional consideration, 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 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 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, 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 Units and Flow-Through Shares were offered by way of short form prospectus in all of the provinces of Canada and 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. Copies of the final short form prospectus and documents incorporated therein may be obtained on request from the Secretary of the Company by sending a written request to 1100 avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada, H3B 2S2, telephone: 514 905-3162, and are available electronically under Falco's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The securities offered have not been registered under the United States 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.

Certain officers and directors of Falco and Osisko Gold Royalties Ltd ("Osisko"), an insider of Falco, have participated in the Offering and were issued 661,000 Flow-Through Shares. Osisko also participated in the Offering and was issued 2,343,750 Flow-Through Shares. Such participation in the Offering constitute "related party transactions" as defined in Regulation 61-101 *respecting Protection of Minority Security Holders in Special Transactions* ("61-101"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of 61-101 as neither the fair market value of the securities issued to insiders nor the consideration for such securities by insiders exceed 25% of the Company's market capitalization. The Company did not file a material change report 21 days prior to closing of the Offering as the participation of insiders of the Company in the Offering had not been confirmed at that time.

Finally, the Company is expected to close the first tranche of the concurrent private placement previously announced on November 2, 2016 in the next few weeks.

### **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.*