

# *Rediscovering the Rouyn-Noranda Mining District The Last of the Abitibi Gold Camps*



*Trent Mell, President & CEO  
Zurich, November 4, 2014*

# Cautionary Statement

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## Disclaimer

This presentation contains a review of the Company's properties in Canada. Viewers are cautioned that the projects are at an early stage of exploration and that estimates and projections contained herein are based on limited and incomplete data. More work is required before the mineralization on the projects and their economic aspects can be confidentially modeled. Therefore, the work results and estimates herein may be considered to be generally indicative only of the nature and quality of the projects. No representation or prediction is intended as to the results of future work, nor can there be any promise that the estimates herein will be confirmed by future exploration or analysis, or that the projects will otherwise prove to be economic.

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Certain information included in this presentation constitutes forward-looking statements, including any information as to our projects, plans and future performance. All statements, other than statements of historical fact, are forward-looking statements. The words "expect", "believe", "anticipate", "will", "intend", "estimate", "forecast", "budget", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

Such factors include, but are not limited to: changes to current estimates of mineral reserves and resources; labour availability; litigation; availability of and increased costs associated with contractors and exploration equipment; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits; contests over title to properties; uncertainty with the Company's ability to secure capital to execute its business plans; changes in national and local government legislation in Canada; risk of loss due to sabotage and civil disturbances; risks arising from holding derivative instruments; and business opportunities that may be pursued by the company. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance.

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# Investment Thesis

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## District Play – Quebec’s Abitibi Region

- Falco controls the last of the large Abitibi Greenstone Belt mining camps
- Never before controlled or explored by a major gold producer

## Targeting 5 Million Ounces – Horne Project

- Horne Project has the potential to demonstrate 5 Moz AuEq
- Highly desirable asset with this size, grade, jurisdiction and infrastructure

## Significant Blue Sky Potential

- 73,000 hectare of prospective land (728 km<sup>2</sup>)
- 14 former producers in world-class VMS system & along Cadillac and Destor-Porcupine faults

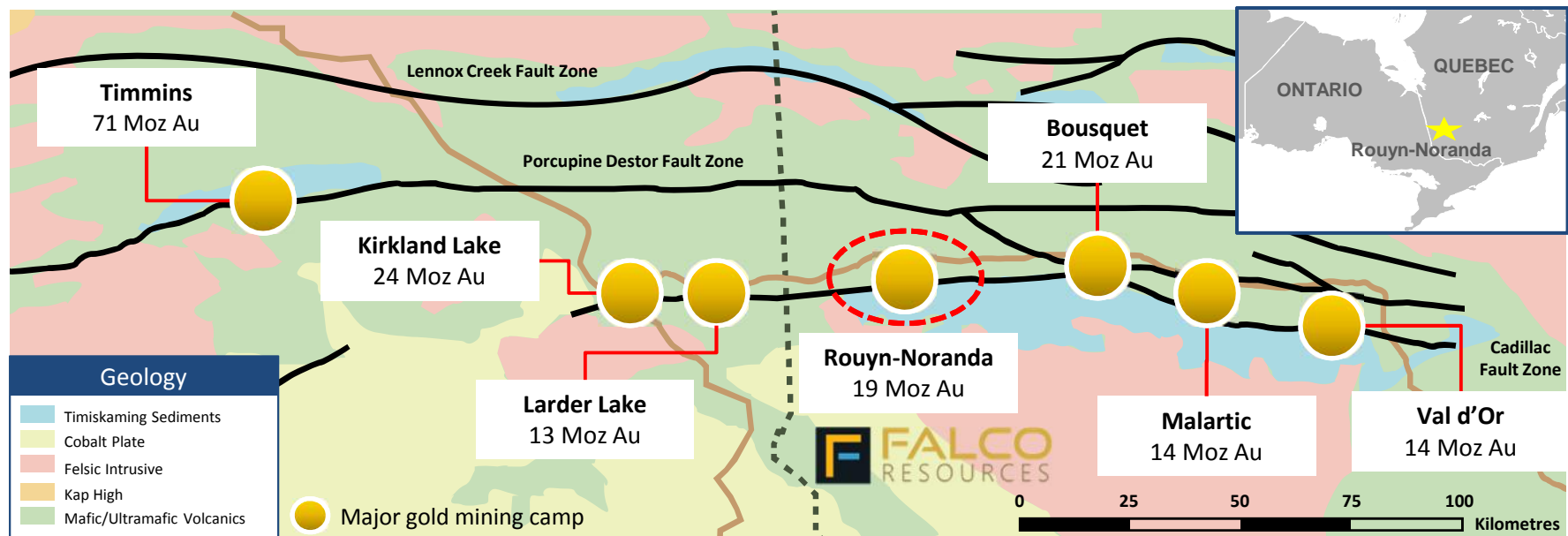
## Management & Board Track Record

- Previously involved with LaRonde, Goldex, Young-Davidson and Malartic mines
- Exploration, discovery, engineering, permitting, M&A and capital markets
- Osisko Gold Royalties as a key partner & shareholder

## Prolific Mining Jurisdiction

### Over 100 Years of Mining History in the Region

- 50 current and former gold and base metal mines in the Rouyn-Noranda camp
- Rouyn-Noranda camp has produced 19 Moz of gold and 2.9 Blbs of copper, but underexplored for gold



## Senior Leadership Team

### Trent Mell

BA., B.C.L., LL.B., LL.M., MBA  
President, CEO & Director

- Extensive international transactional experience (over 100 deals and \$2 billion in financings)
- Previously with precious and base metal producers, including Barrick and AuRico Gold (Young-Davidson)
- Former M&A and corporate finance lawyer with Stikeman Elliott

### Sean Roosen Chairman

- Chairman and CEO of Osisko Gold Royalties
- Former President, CEO & Co-founder of Osisko Mining Corporation, where he was instrumental in permitting and financing the development of the \$1 billion Canadian Malartic Mine

### Dr. Michael Byron

B.Sc., M.Sc., PhD. & P. Geo.  
VP Exploration, Director

- Co-founder of Falco Resources and former VP Exploration for Lake Shore Gold and Aurora Platinum
- Instrumental role in sale of Aurora to FNX Mining and resource expansion at Lake Shore leading to development of Timmins West Gold Mine, Director & Chief Geologist of Nighthawk Gold Corp, led acquisition and expansion of Colomac mine to more than 2.1 million ounces of gold

### Jim Davidson

B.Comm & C.A.  
CFO, Director

- Co-founder of Falco Resources, former VP Finance and CFO of Western Minerals Group, and Former CFO of Athabasca Potash, which was acquired by BHP Billiton
- Over 35 years experience, including senior roles with Weyerhaeuser Company and with Deloitte and Touche

### Paul-Henri Girard

B.A.Sc., Mining Eng.  
Director

- Former VP of Canadian Operations at Agnico Eagle Mines with over 25 years of experience
- Instrumental roles in the development and advancement of the LaRonde, Goldex and Lapa mines (Agnico)
- Responsible for overseeing all technical and infrastructure requirements, and development of strategy for the Horne Project

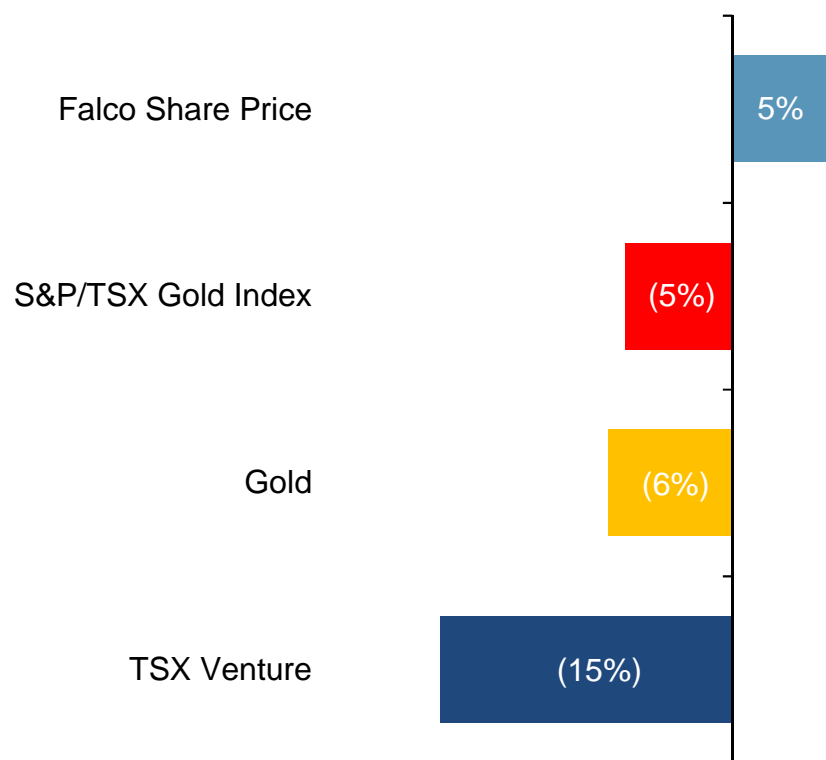
### Gordon Neal

B.Sc.  
Director

- Co-founder of Falco Resources and founder of Neal McNerny Investor Relations
- Over 25 years of corporate finance experience
- Participated in raising over \$550M for mineral exploration since 2004

# A New Abitibi Exploration Company

## Relative Performance (12 months)



## Capital Structure

Shares Outstanding (basic)	93,875,857
Stock Options	5,475,000
Warrants	7,871,438
Shares Outstanding (fully diluted)	107,222,295
Cash (October 20, 2014)	C\$12,100,000

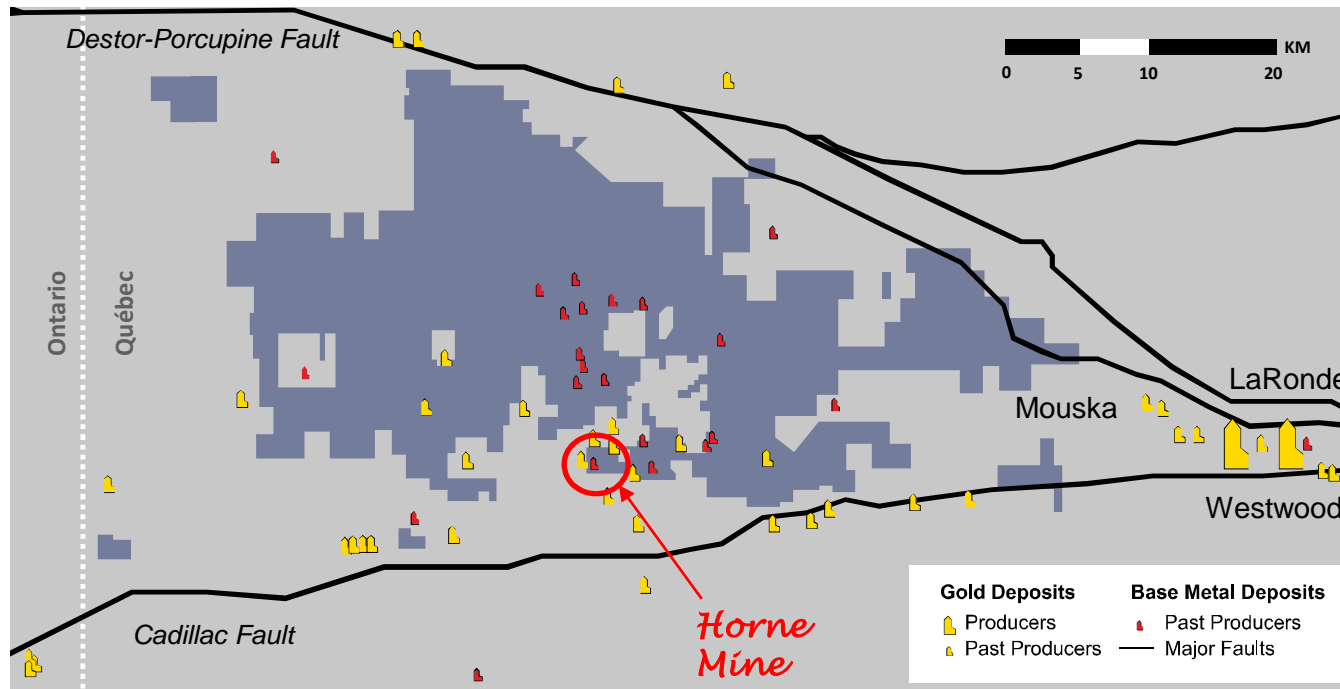
## Shareholder Registry

Osisko Gold Royalties	11.6%
Goodman & Company	10.6%
Other Institutions	19.7%
Insiders	8.9%

\* Other Institutions include Dundee Resources, Sentry, Oberon, Front Street Capital, Tocqueville, Marquest and others

## Dominant Position in Established Camp

### Highly Prospective Land Package including Horne Complex

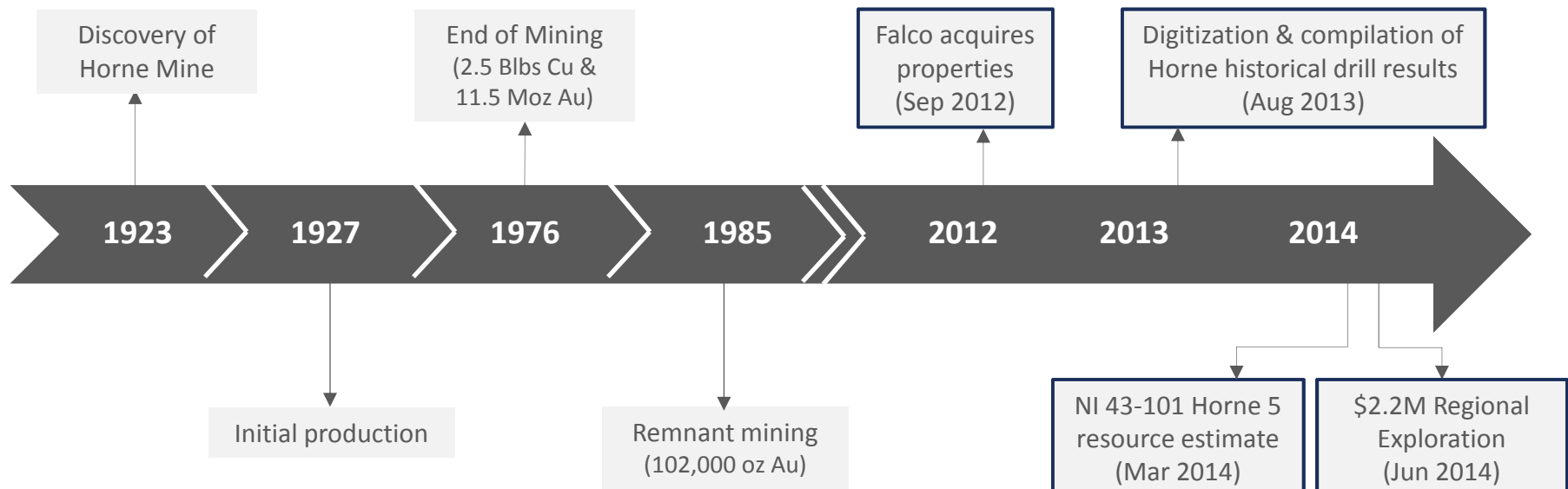


- 14 former mines on 728 km<sup>2</sup> of Falco properties
- Over 80 years of data archives

## 38 Years Later

- Horne mine operated for over 50 years
- Since 1976, focus had been on the Horne smelter (Glencore)
- Falco acquired Horne and its other Rouyn-Noranda properties in 2012 from QMX
- Over 80 years of historical data available

### History of Horne

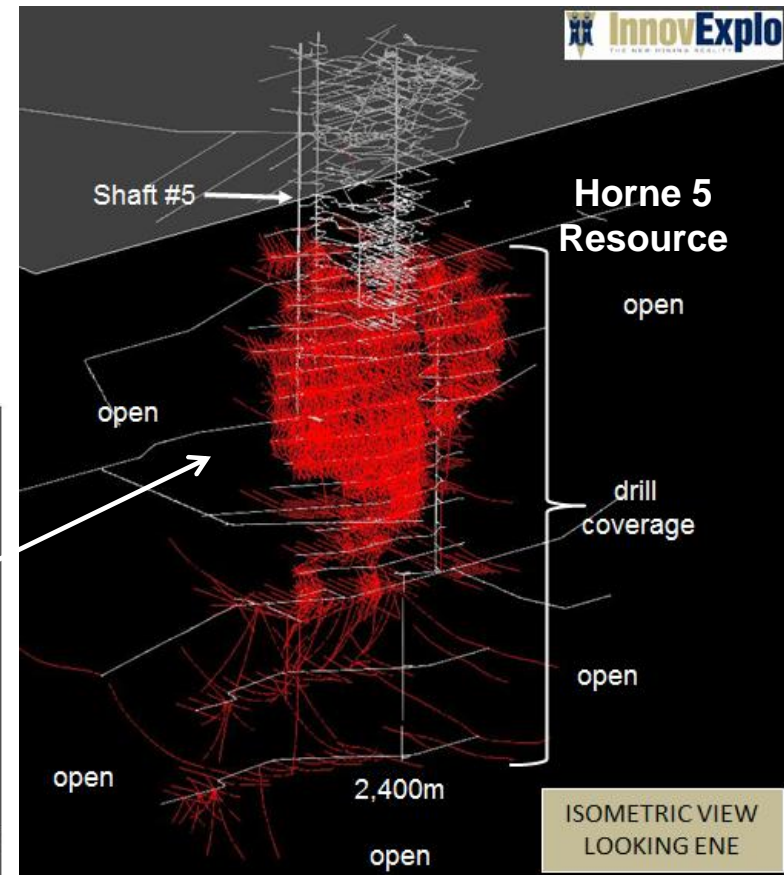
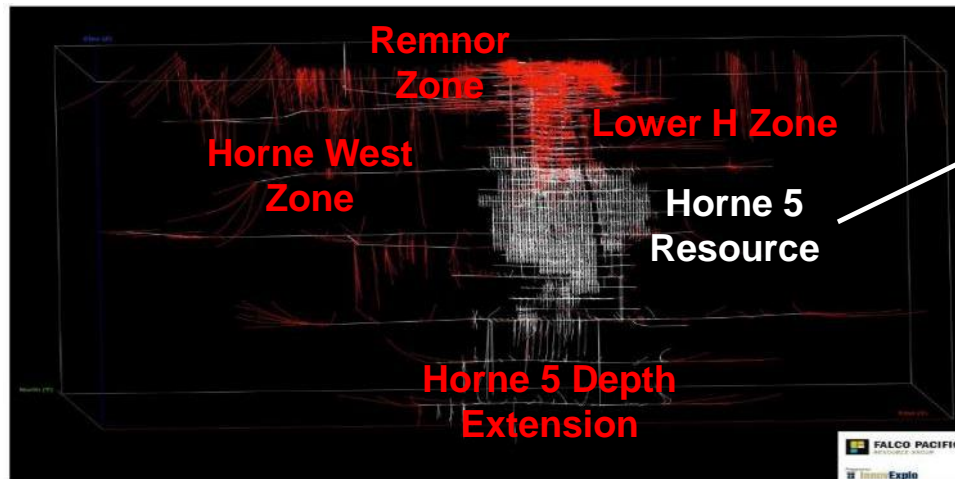




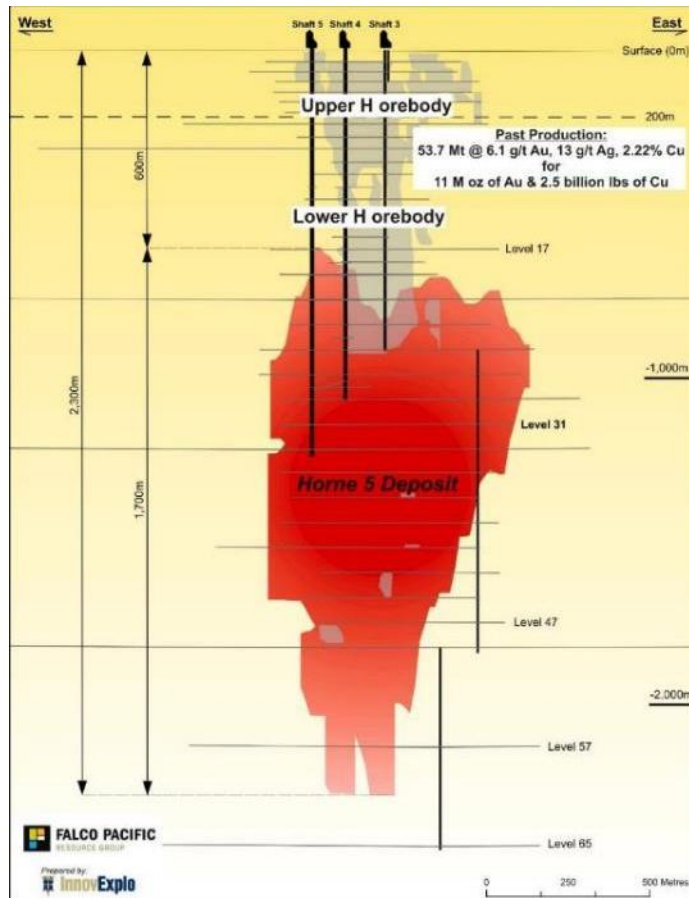
## Extensive Historical Data

80 Years of Data + Technology + Modern Era Gold Price = Rouyn-Noranda Mining District as a Gold Camp

- Historic drilling focused on base metals
  - Gold <\$40/oz during most of the Horne mine life
- Significant advances since 1976
  - First 3D model of Horne Complex
  - New exploration technology
  - Building a better understanding of orebody
- Extremely low discovery costs of <\$0.25/oz Au to date



# Maiden Resource Estimate



- Inferred resource estimate from historic drilling
  - Open at depth and along strike
- 1,200m strike length; 40-120m thick; 1,700m vertical extent
- En echelon stacked tabular body; well defined metal zonation (gold, copper, zinc)
- Extensively developed (1930s to 1960s)
  - 4,386 drill holes at 15m spacing (305,000m)
  - 40 working levels & 55km of underground development

(1) Please refer to footnotes in the Appendix

## Resource Estimate – Upside Opportunities

Resource Class	Cut-off (NSR \$C)	Tonnes (Millions)	AuEq (g/t)	Au (g/t)	Cu (%)	Zn (%)	Contained AuEq (Moz)	Contained Au (Moz)	Contained Cu (Mlbs)	Contained Zn (Mlbs)
Inferred	>50	67.6	2.48	1.8	0.17	0.72	5.4	4.0	261	1,073
	>60	50.4	2.75	2.1	0.19	0.73	4.5	3.3	214	814
	>70	35.9	3.07	2.3	0.21	0.72	3.5	2.7	168	573
	<b>&gt;80</b>	<b>25.3</b>	<b>3.41</b>	<b>2.6</b>	<b>0.23</b>	<b>0.70</b>	<b>2.8</b>	<b>2.2</b>	<b>131</b>	<b>393</b>
	>90	17.9	3.77	3.0	0.26	0.69	2.2	1.7	102	272
	>100	12.8	4.17	3.4	0.28	0.67	1.7	1.4	79	190
	>110	9.5	4.57	3.7	0.30	0.66	1.4	1.1	63	138

Exchange Rate: CAD/USD = 1.05

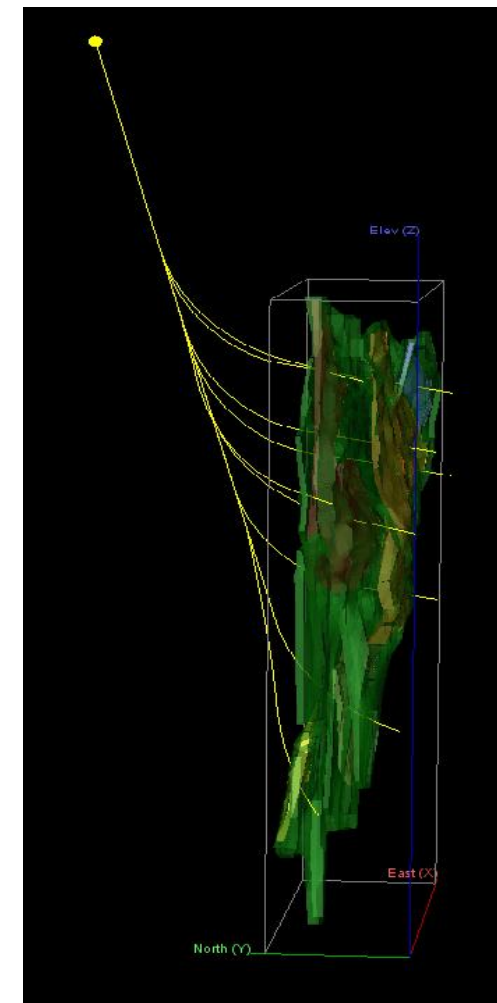
### NSR Assumptions and Parameters

Commodity	Payable Metal	Metal Price (\$US)
Gold	87%	\$1,300.00
Copper	65%	\$3.30
Zinc	37%	\$0.95

- Maiden resource of 2.8 Moz AuEq at 3.4 g/t
- Limitations:
  - Conservative base metal payabilities
  - Silver content not considered
- Opportunity to increase the resource with confirmation drilling

## Confirmatory Drill Program

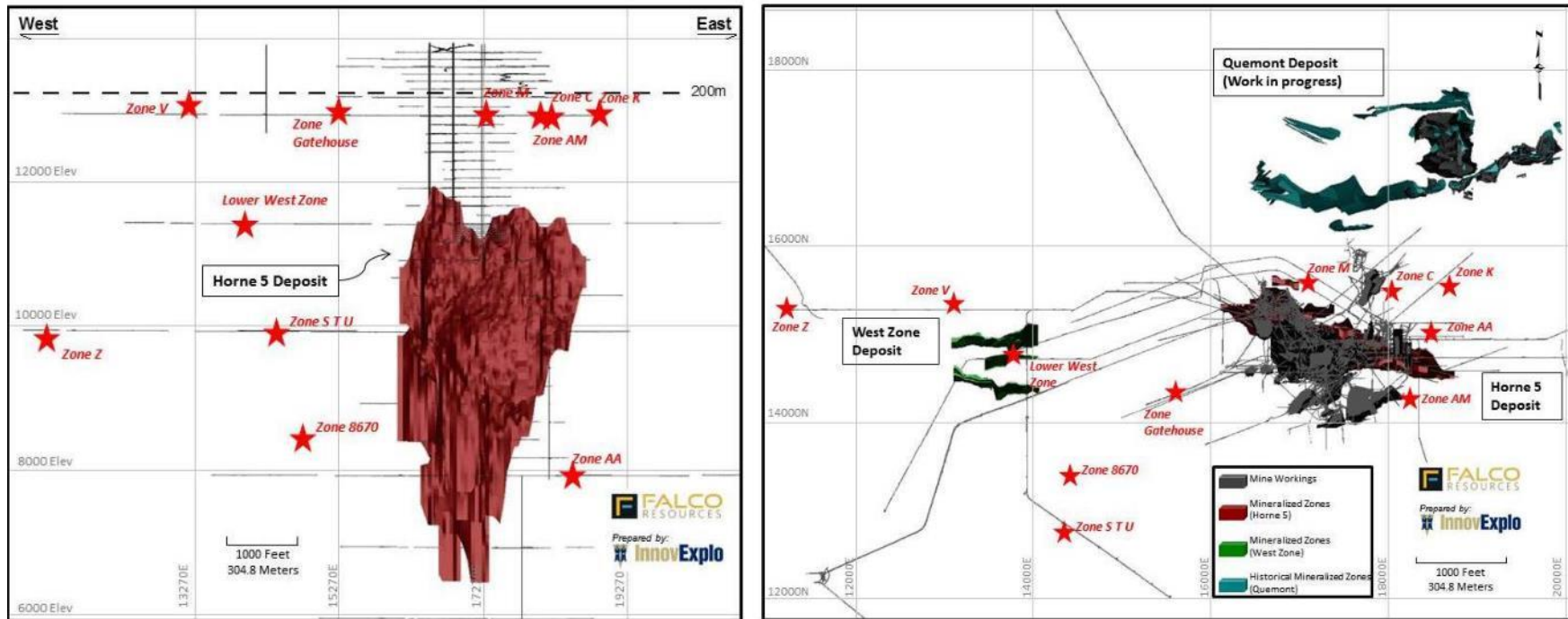
- Drilling program
  - 9-hole oriented drill program
  - Metallurgical work
  - Updated 43-101
- Primary objectives of confirmation drilling:
  1. Upgrade resource category from Inferred to Indicated
  2. Confirm metallurgical parameters (improve payability parameters)
  3. Confirm historic silver grades of >15 g/t
- Targeted Results
  - Increase tonnes by >30%
  - Increase AuEq to >3.5 Moz
- \$2M cost
- Completion by Summer 2015



(1) Please refer to footnotes in the Appendix

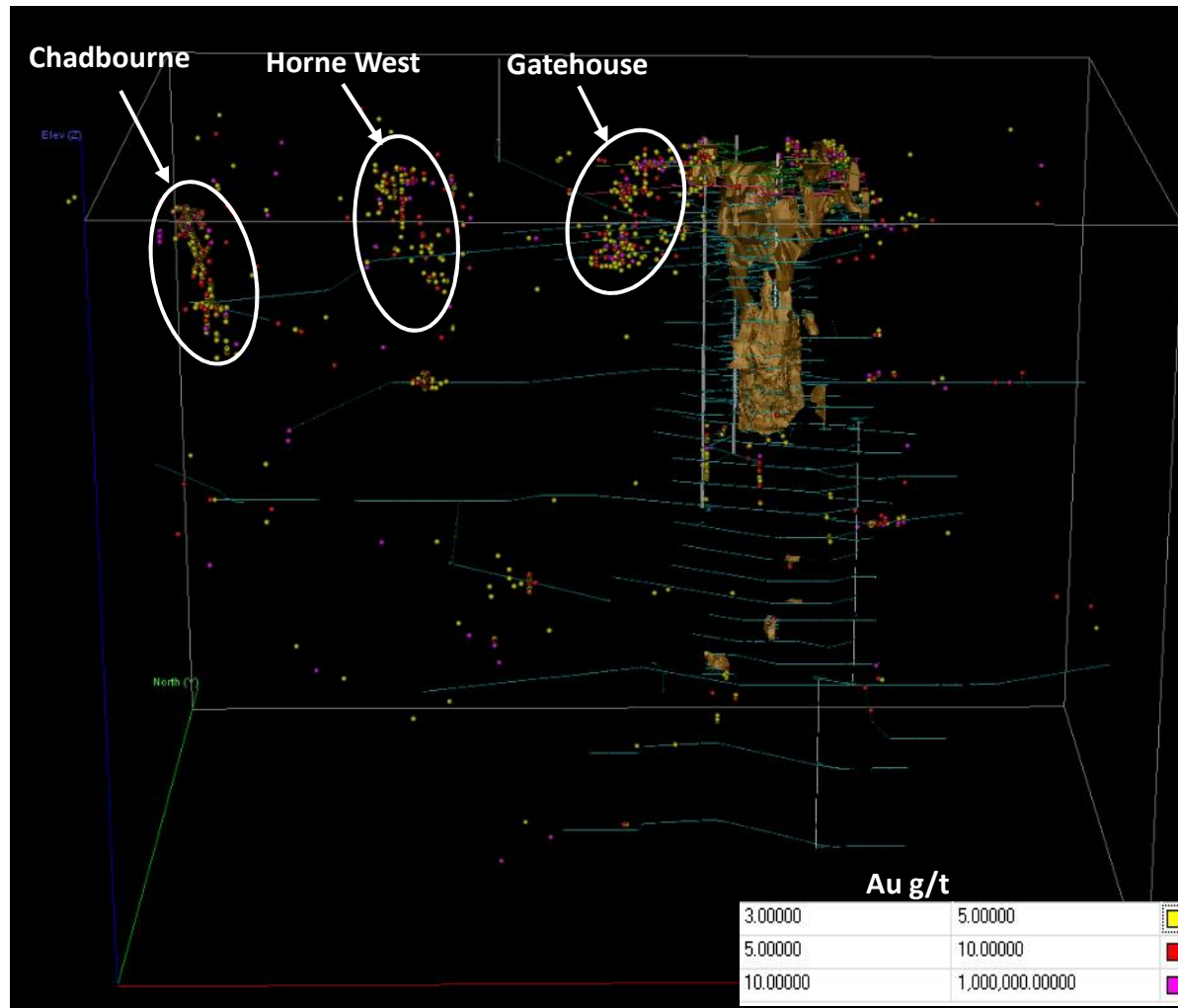
# Additional Targets in Horne Complex

## Potential to increase Mineral Resources in the Horne Complex



- 11 gold targets within the shadow of the old mines
- Identified potential Horne West extension at depth

## Near Surface Targets



- Near-surface mineralized zones proximate to Horne mine
- Dilled by Noranda but copper values insufficient for follow up
- Horne West mineralization believed to extend from surface to 1,500m



# Significant Resource Upside Potential

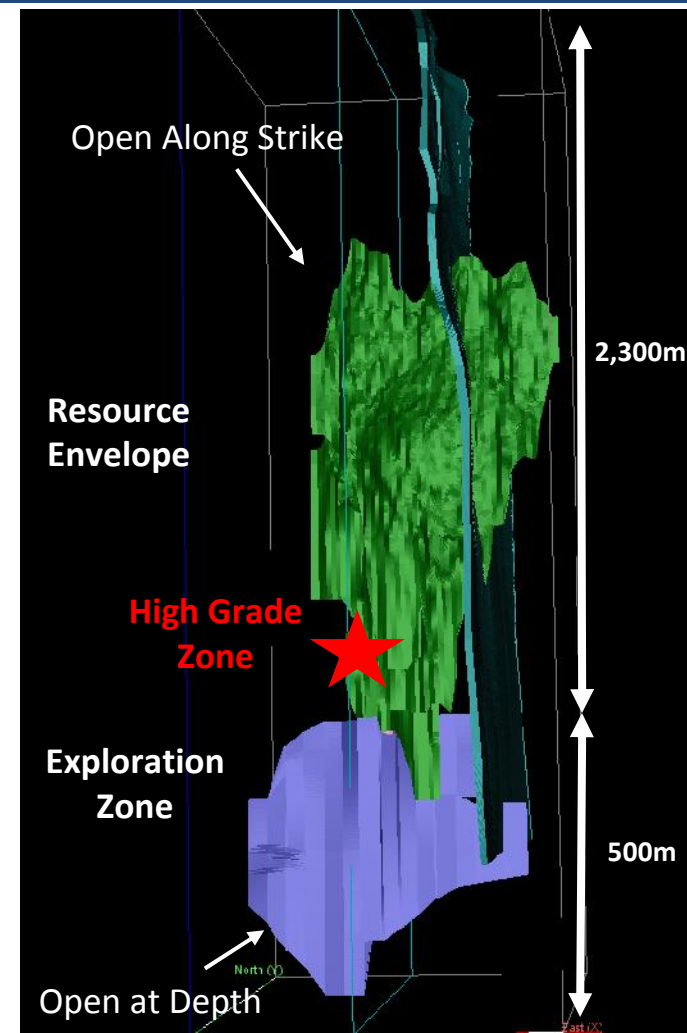
- Exploration Zone lies below the resource estimate
  - At a depth of 2,300m
- Open at depth and along strike
  - Tabular, stratiform body that extends for at least 500m below the current resource estimate
  - LaRonde (Agnico) mineralization extends beyond 3,000m

Select Exploration Zone Drill Results<sup>(1)</sup>

Drill Hole	From (m)	To (m)	Core Length (m)	True Width (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
HN_57-8936	0.0	21.3	21.3	21.3	5.3	19.3	0.05	1.00
including	9.1	21.3	12.2	12.2	9.1	29.0	0.03	0.48
HN_57-9064	173.7	249.9	76.2	50.5	3.3	42.0	0.29	0.63
including	173.7	231.7	57.9	37.7	4.5	53.1	0.24	0.47
HN_65-9057	18.3	91.4	73.2	41.3	6.3	52.4	0.48	0.24
including	33.5	70.1	36.6	20.5	11.1	88.9	0.62	0.16
including	51.8	70.1	18.3	11.3	18.5	160.2	0.75	0.21
HN_65-9065	21.3	54.9	33.5	27.7	3.4	117.0	0.51	0.39
including	21.3	33.5	12.2	9.9	5.5	260.5	0.34	0.81

Source: Company Reports

(1) These results are not included in the current resource estimate due to limitations in overall drill coverage and drill density.

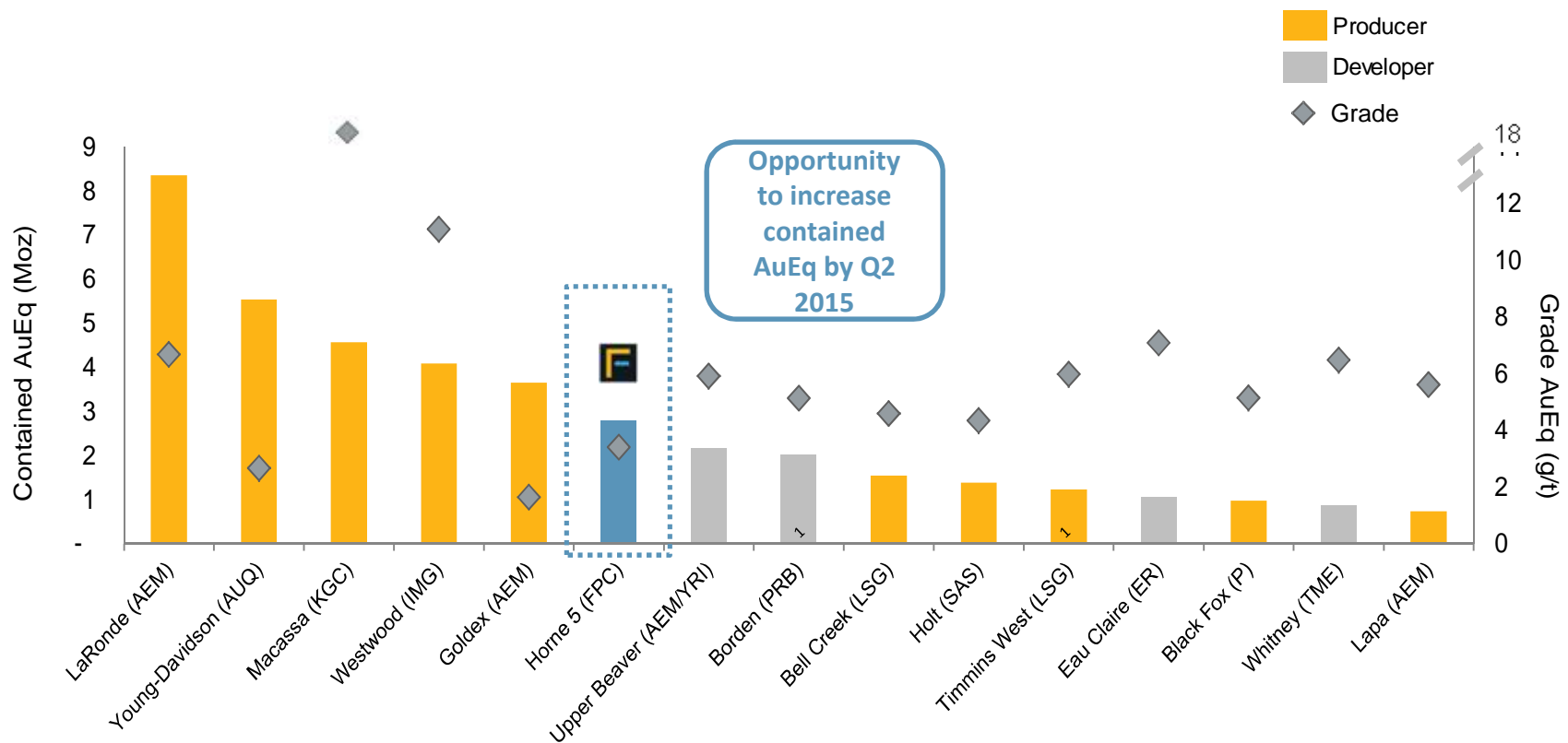


# HORNE COMPLEX

## Large Deposit



### Horne is Well Positioned Among Regional Underground Deposits



Source: Company Reports  
(1) Underground operations only

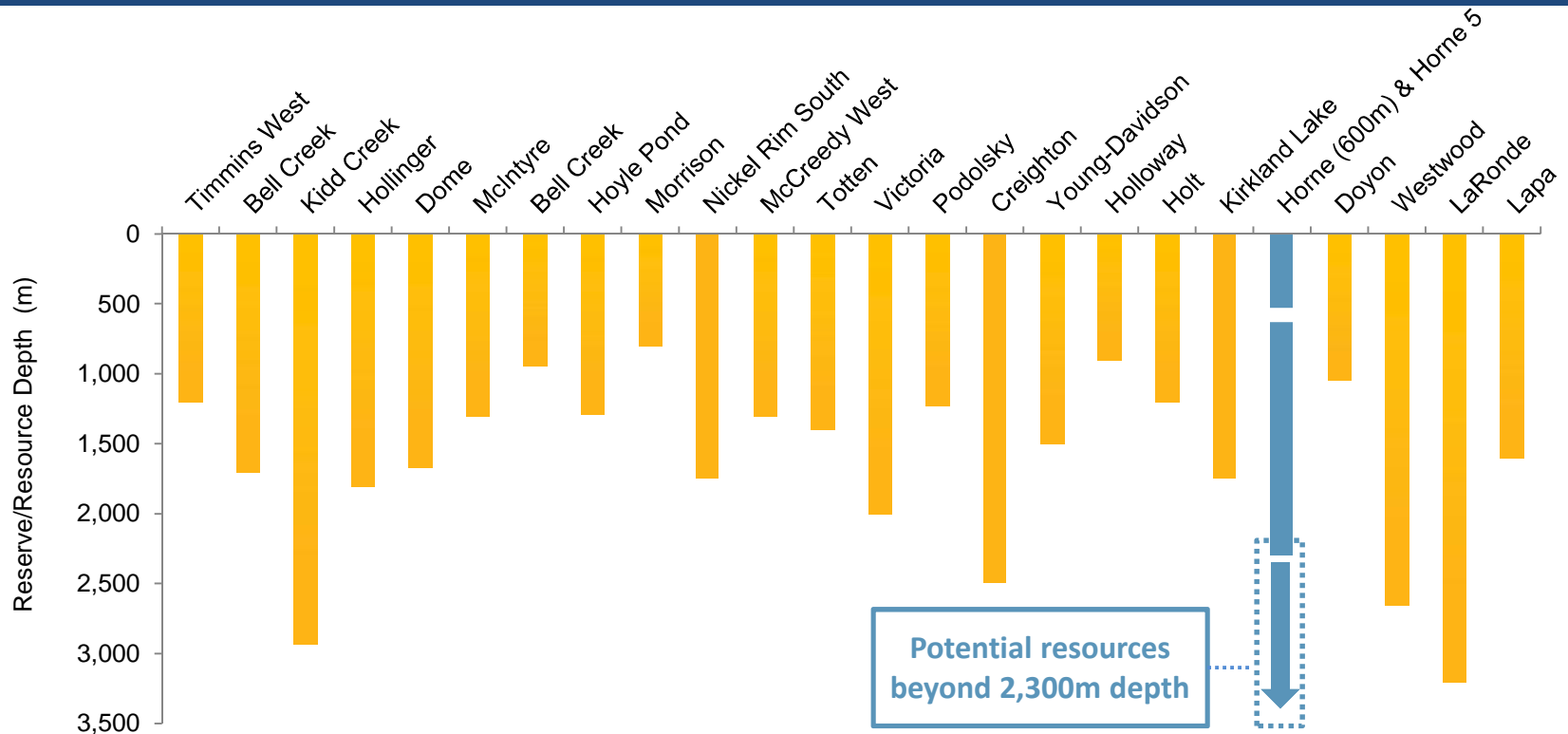
TSXV: FPC | [www.falcores.com](http://www.falcores.com)



# Horne Mine not Deep

- Regional comparables have mined at depths equal to or deeper than Horne 5

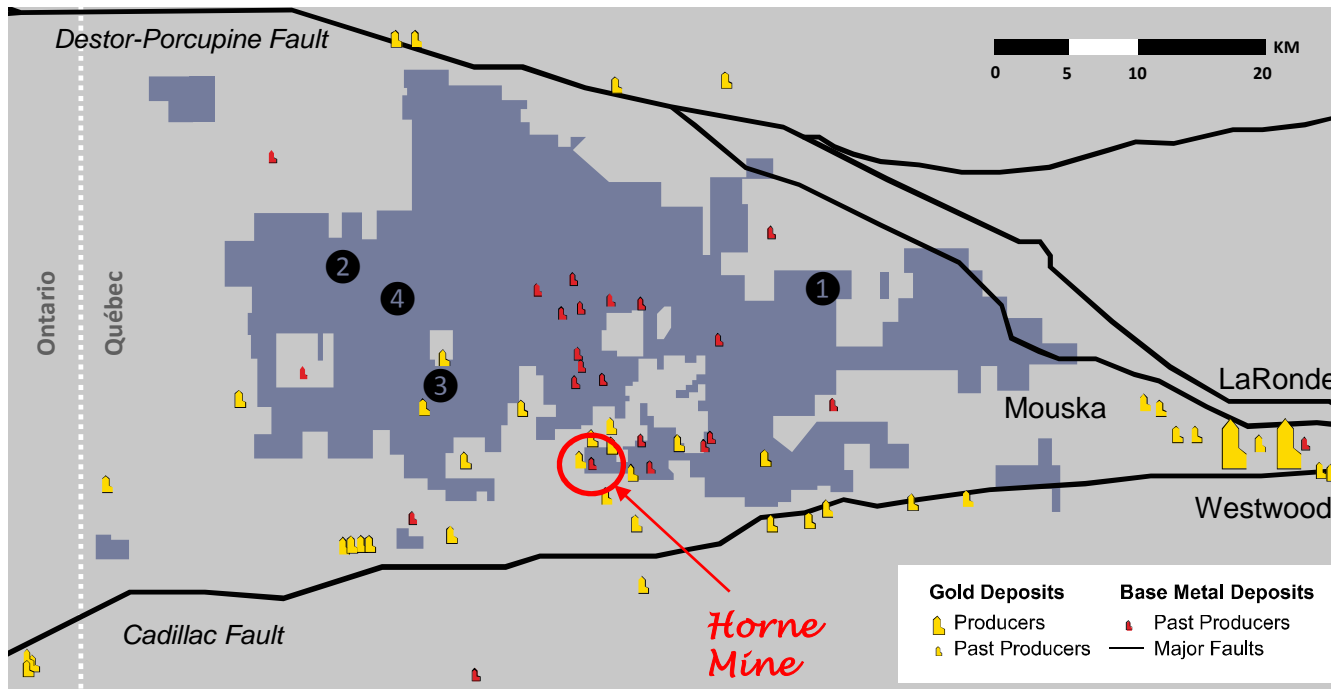
**Resource Depth of Regional Mine Comparables**  
(Sorted West to East)



# Regional Exploration

## Dominant Position in Established Camp

### Highly Prospective Land Package including Horne Complex



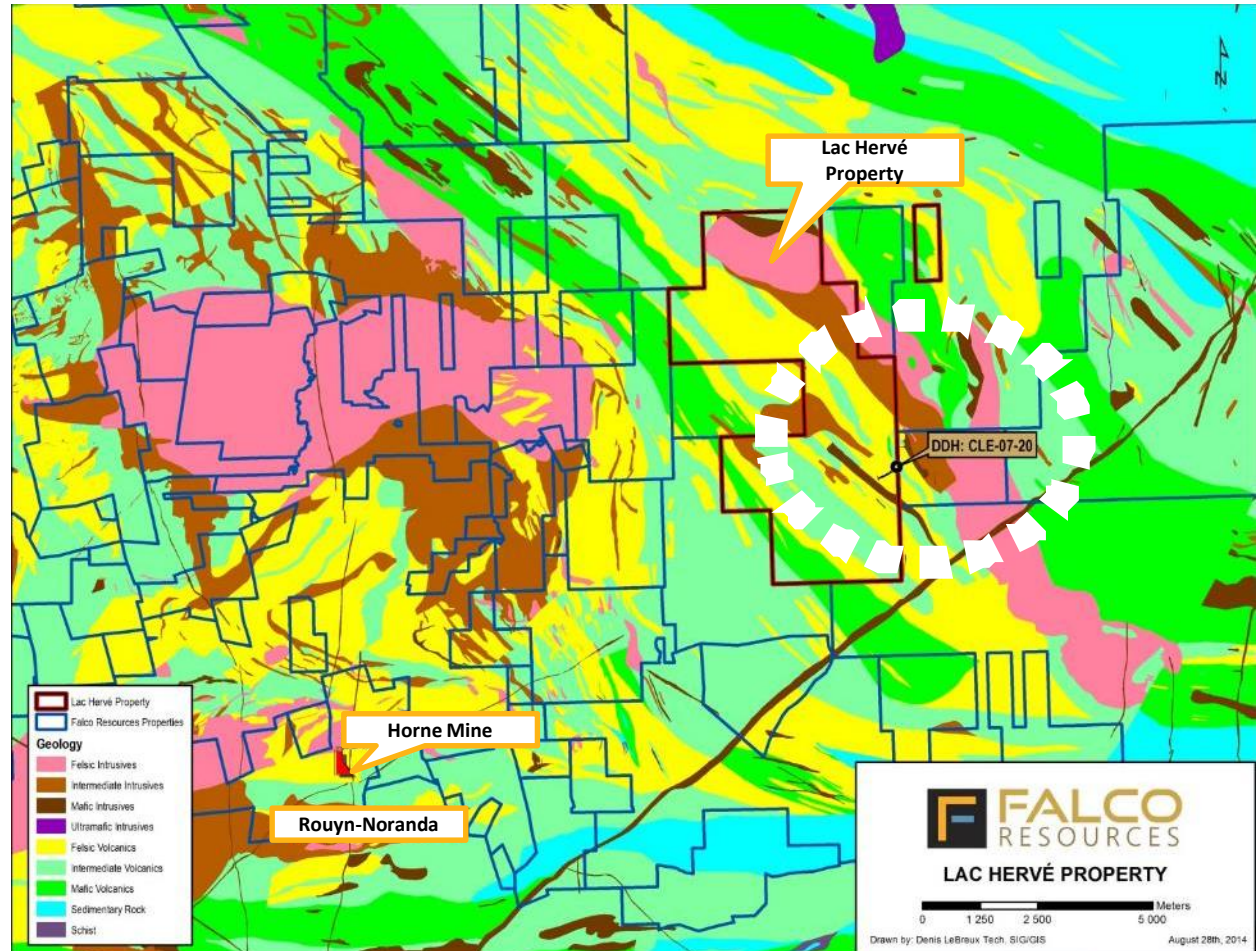
#### Highlights:

- 1 Lac Hervé
- 2 Rimo
- 3 Quesabe
- 4 Duprat Syenite

- 14 former mines on 728 km<sup>2</sup> of Falco properties
- Over 80 years of data archives

## Large Anomaly Identified

- 15km northeast of Rouyn-Noranda
- Historic drillhole with anomalous copper and zinc values and typical VMS-style alteration
- Falco borehole EM survey identified an off hole anomaly 400m from surface
  - Sizeable conductive body typical of massive sulphide mineralization
- Drilling underway (900m)
  - Results pending



## Similar Signature as Horne

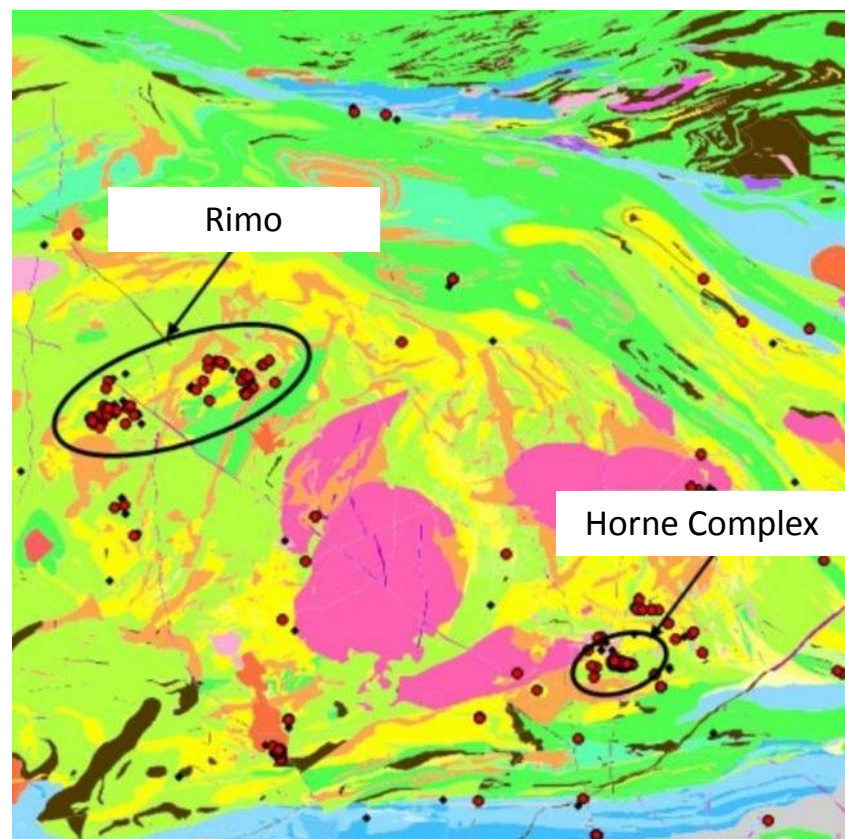
### Background

- Cu-Zn-Au property, located 25km northwest of Rouyn-Noranda
- One of the most significant VMS properties in the Camp
- Lithogeochemically similar to Horne Complex rocks

### Status

- Falco identified numerous near-surface conductors related to stratigraphy with the chemical characteristics of Horne Complex
- Over 2km of laterally extensive exhalative sequence, akin to VMS systems
- 3 drill holes with pulse-EM underway
- Results pending

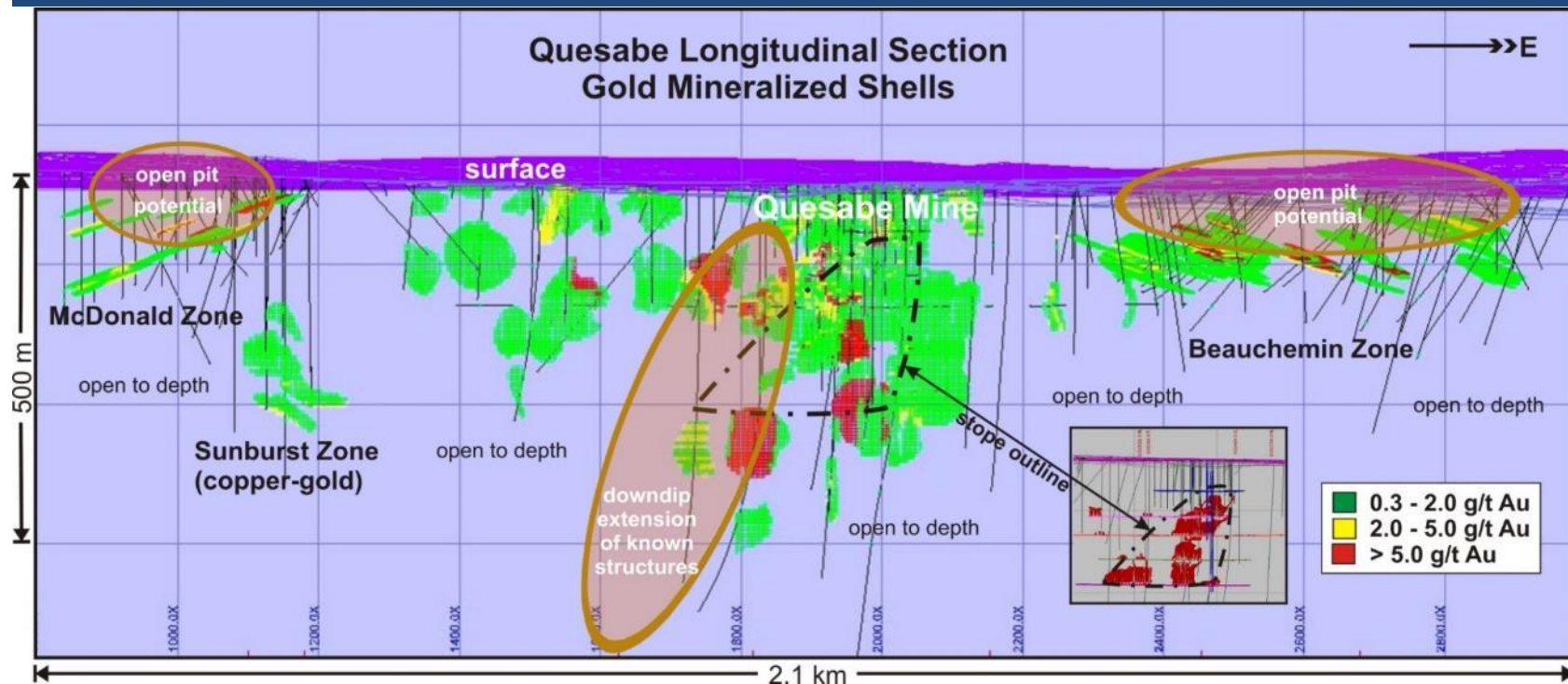
### Distribution Map of High Probability “Horne Type” Samples





# Hosts Historic Quesabe Gold Mine

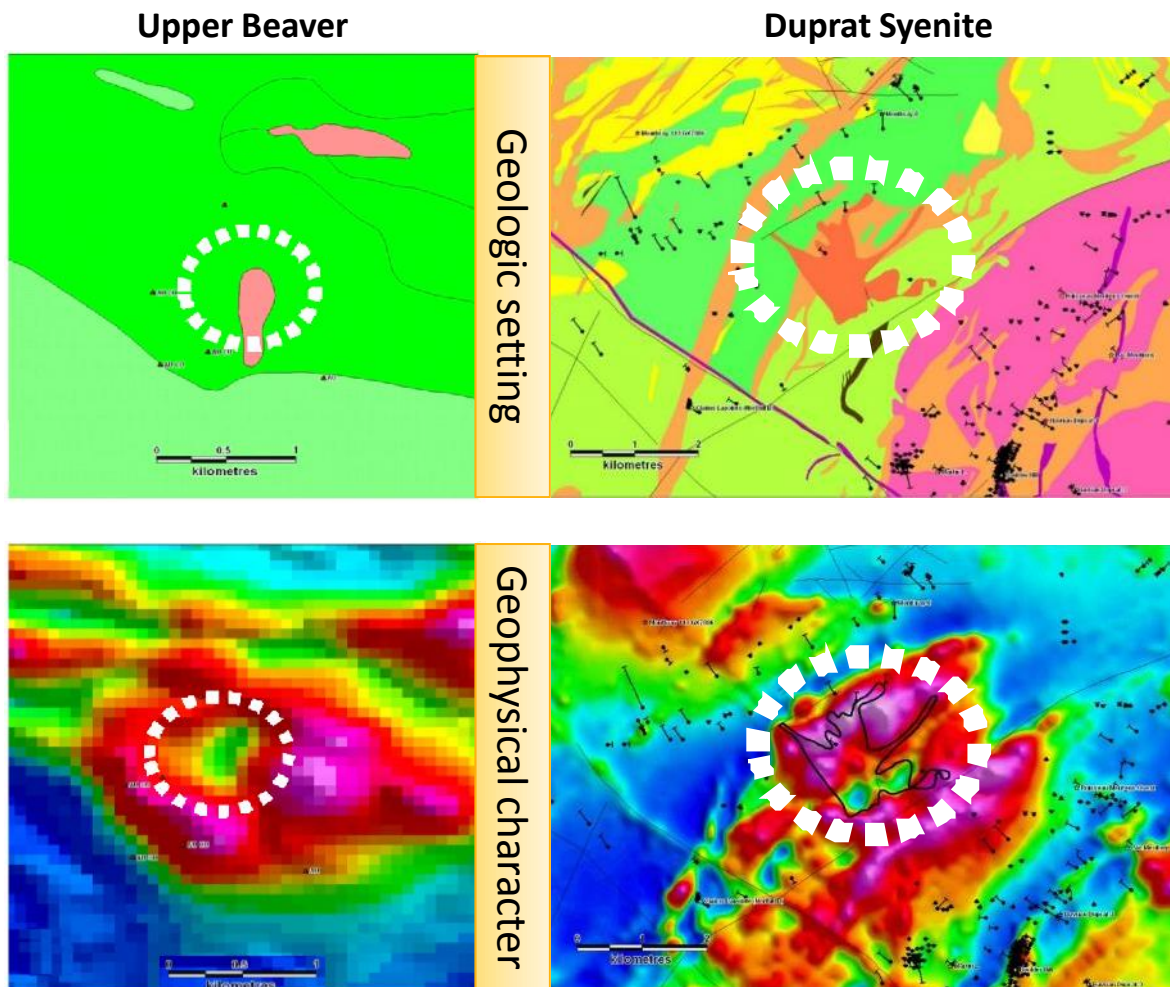
## Historic Production Grades of more than 10 g/t Au



- 3 former gold producers
  - Zone development absent above 75m & below 305m
  - Open laterally and at depth
- Fault system host to several deposits and showings
  - Opportunity for resource expansion
  - Near surface zones may be amenable to open pit mining

## Geologically Similar to Upper Beaver

- 20km northwest of Rouyn-Noranda
- Geologically similar to Upper Beaver gold-copper deposit
  - Similar magnetic expression to the Upper Beaver, located 35kms southwest
- Abundance of regional gold (+/- copper) showings and overall lack of exploration on the intrusion highlight the opportunity present
  - One of Falco's many mineralized, yet relatively unexplored intrusions
- IP survey and prospecting underway – drilling contingent upon results



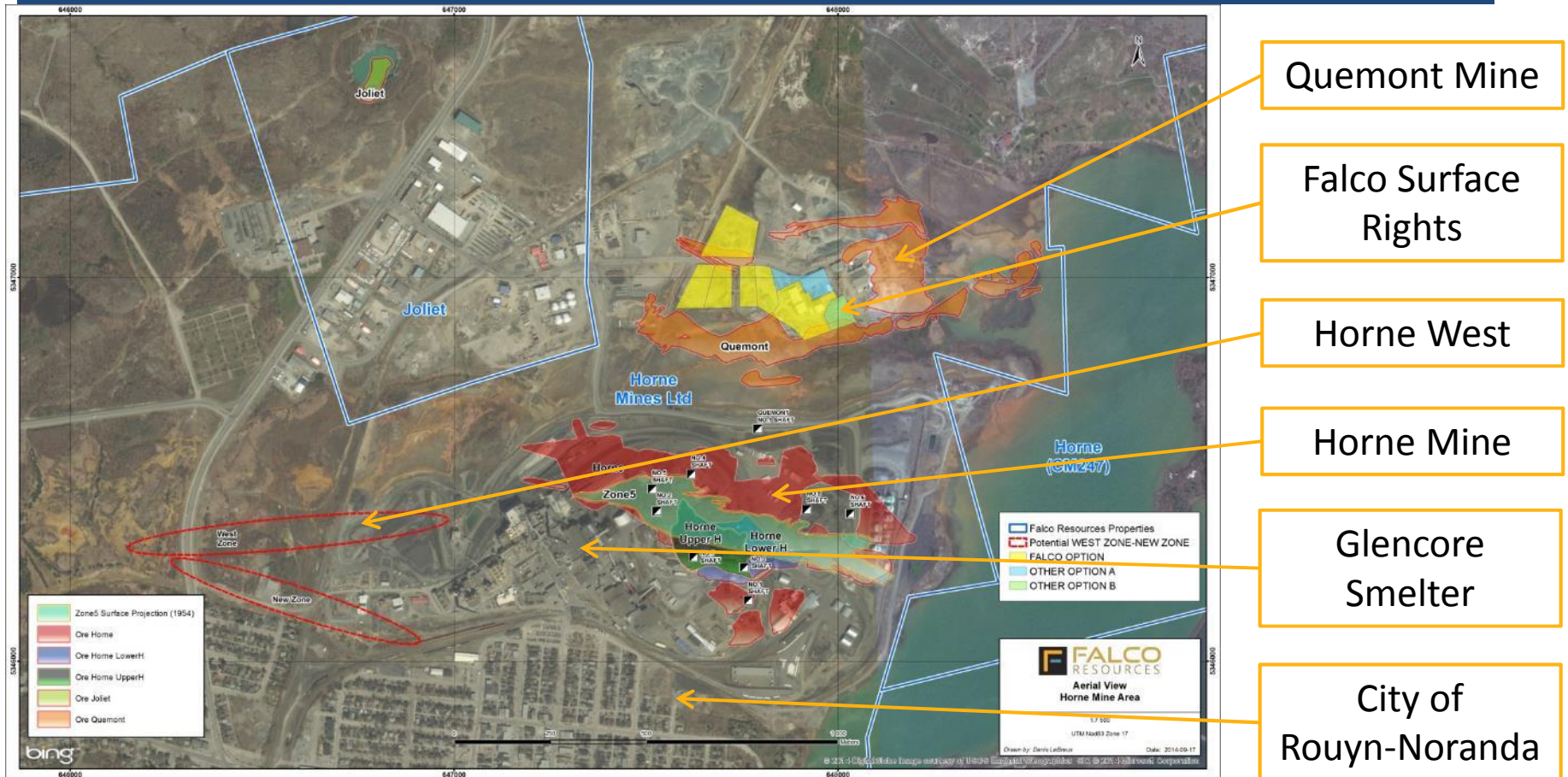
# Appendix



# HORNE PROJECT Located North of the City



Located in an Industrial Park (away from residential area)

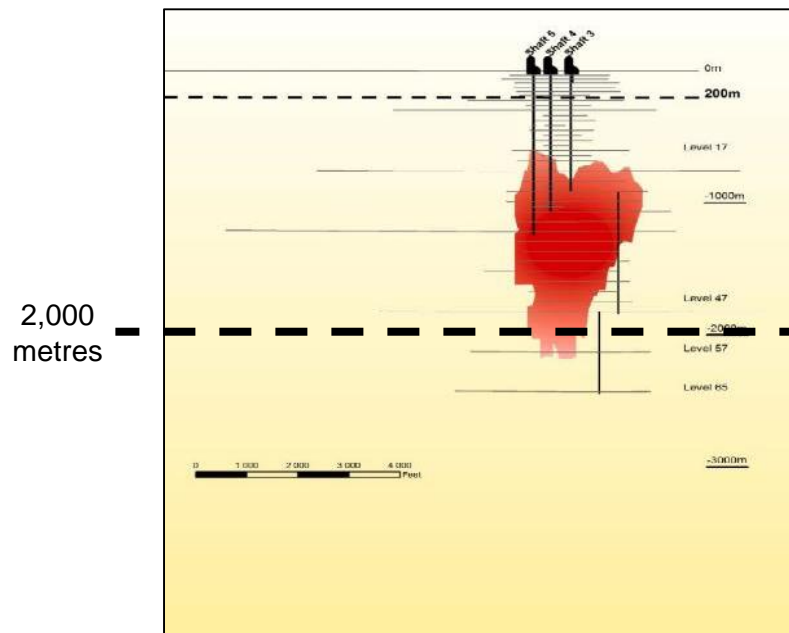


## Similarities with LaRonde

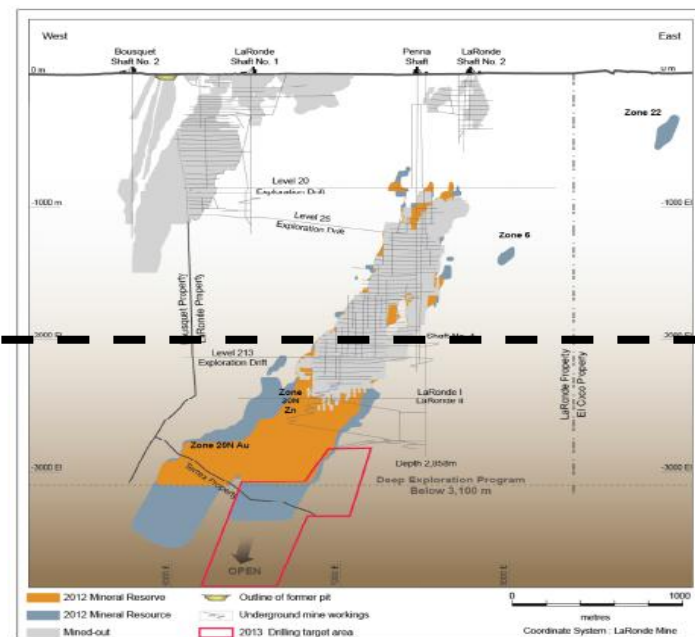
Similarities with Agnico-Eagle's LaRonde mine (40 km east of Horne 5)

- Gold-rich VMS deposits
- Open at depth
- Similar geometry
- Bulk mining methods

Horne 5 Longitudinal Section

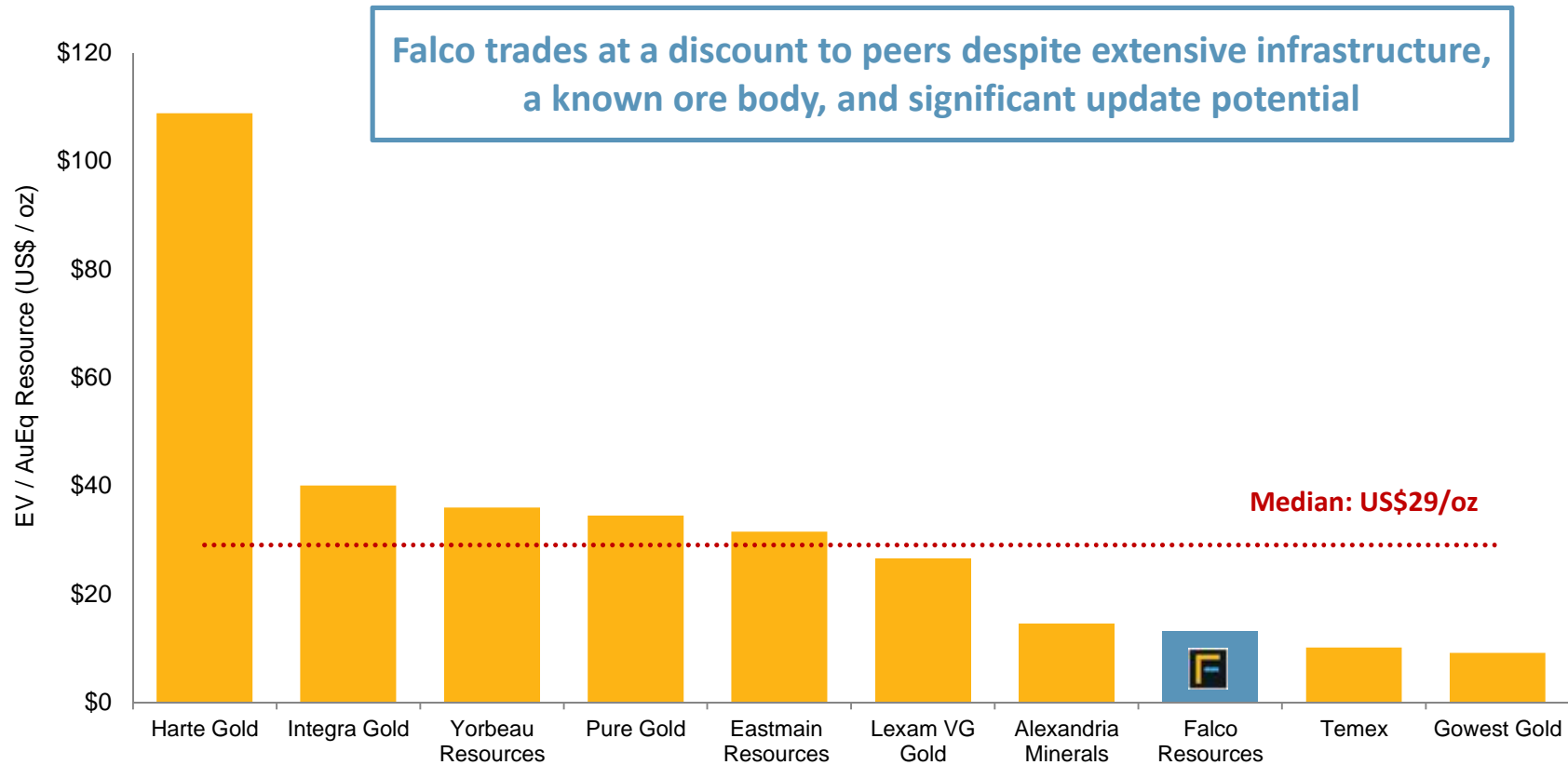


LaRonde Longitudinal Section – 2012



Note: Refer to Appendix for additional resource estimate disclosure

## Valuation Relative to Peers



# Strategic Importance of Abitibi Greenstone Belt

## Significant M&A Activity in the Region

Announcement Date	Acquiror	Target	Producer/Developer	Equity Value (C\$M)	EV / AuEq Resource (US\$/oz)
Apr-14	Yamana / Agnico Eagle	Osisko Mining	Producer	\$3,493	\$125
Dec-13	Primero Mining	Brigus Gold	Producer	\$217	\$154
May-13	New Gold	Rainy River Resources	Developer	\$380	\$35
Jan-13	Hecla Mining	Aurizon Mines	Producer	\$791	\$109
Nov-12	Osisko Mining	Queenston Mining	Developer	\$550	\$98
Oct-12	Argonaut Gold	Prodigy Gold	Developer	\$352	\$43
Apr-12	IAMGOLD	Trelawney Mining & Exploration	Developer	\$624	\$80
Sep-11	Detour Gold	Trade Winds Ventures	Developer	\$81	\$35
Aug-11	AuRico Gold	Northgate Minerals	Developer	\$1,543	\$153
Aug-11	Lake Shore Gold	Fenn-Gib Project	Developer	\$58	\$29
Aug-09	Lake Shore Gold	West Timmins Mining	Developer	\$319	\$79

Source: Company Reports, S&P Capital IQ

## Resource Summary

Resource Estimate	Cut-off (NSR C\$)	Tonnes (Mt)	Au Eq (g/t)	Au (g/t)	Cu (%)	Zn (%)	Contained AuEq (Moz)	Contained Au (Moz)	Contained Cu (Mlbs)	Contained Zn (Mlbs)
Inferred	> 50	67.6	2.48	1.8	0.17	0.72	5.4	4.0	261	1,073
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	> 110	9.5	4.57	3.7	0.30	0.66	1.4	1.1	63	138

Source: NI 43-101 Report, February 17, 2014, InnovExplo

- NSR (and gold equivalent calculations) cut-off are based on the following parameters: Exchange rate = C\$1.05 for US\$1.00, Gold price=\$1,300 US/oz, Copper price = \$3.30 US/lbs, Zinc price = \$0.95 US/lbs; Payable Metals = 87% for gold, 65% for copper and 37% for zinc based on historic data and peer comparisons.
- Resources were evaluated from drill hole data using an ID2 interpolation method in a block model (block size = 5 x 5 x 5 metres).
- Densities were determined from historic drill hole iron assay data using a 3-pass ID2 interpolation method for the ENV\_A and HG\_A to E sub-zones. The average densities for these blocks range from 3.17 to 3.54 g/cm<sup>3</sup>. A fixed density of 2.88 g/cm<sup>3</sup>, representing the average of the available data, was used for ENV\_B to D, because of too few data.

## Contact Us

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