



THE NEXT GREAT UNDERGROUND MINE IN CANADA

Corporate Presentation

PRECIOUS METALS SUMMIT – SEPTEMBER 2017

WWW.FALCORES.COM | FPC:TSXV

CAUTIONARY STATEMENT

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 confidently 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.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this presentation, which has been prepared by management. There can be no assurance that any of the assumptions in the resource estimates will be supported by a Pre-feasibility or Feasibility Study or that any forward looking event will come to pass. The data is incomplete and considerable additional work will be required to complete further evaluation, including but not limited to drilling, engineering and socio-economic studies and investment.

Past performance is no guarantee of future performance and all investors are urged to consult their investment professionals before making an investment decision. Investors are further cautioned that past performance is no guarantee of future performance

Forward-Looking Statements

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 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.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

Cautionary Note to U.S Investors Concerning Measured, Indicated and Inferred Resources

This presentation uses the terms "measured," "indicated" and "inferred resources. We advise investors that while those terms are recognized and required by Canadian regulations, the United States Securities and Exchange commission does not recognize them. 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.



TSXV:FPC

C\$217M

MARKET CAP

~C\$46.2M

CASH & CASH EQUIVALENTS

7.1 Moz AuEq M&I

TOTAL RESOURCES

1.7 Moz AuEq Inferred

TOTAL RESOURCES

236,000 GOLD OZ

ESTIMATED AVERAGE GOLD
ANNUAL PRODUCTION

US\$427 PER GOLD OZ

ALL-IN SUSTAINING COST

US\$680M

DEVELOPMENT CAPITAL EXPENDITURE

>12 YEARS

INITIAL MINE LIFE



EXPERIENCED SENIOR LEADERSHIP TEAM | DRIVER OF VALUE

EXECUTIVE MANAGEMENT

- **Luc Lessard, President & CEO, Director** +
- **Vincent Metcalfe, CFO**
- Claude Léveillé, VP Community Relations & HR
- Anthony Glavac, VP – Controller
- Helene Cartier, VP – Environment +
- Francois Vezina, VP – Mining +
- Christian Laroche, VP – Processing +
- John-Paul McGrath – Project Manager +
- Claude Bernier, Exploration Manager
- Sylvain Doire, Environment
- Claude Pilote, Senior Geologist
- Daniel Mathieu – Mechanical Designer +

BOARD OF DIRECTORS

- **Sean Roosen, Chair** +
- Mario Caron, Lead Director
- Bryan Coates +
- Paola Farnesi
- Claude Ferron
- Paul Henri-Girard
- Chantal Sorel

CAPITAL SUMMARY & SHAREHOLDER REGISTRY

CAPITAL STRUCTURE (AS OF SEPT 8, 2017)

Shares Outstanding (basic)	179,644,768
Stock Options	9,151,736
Warrants	28,281,717
Shares Outstanding (fully diluted)	205,934,721
Share Price	C\$1.21
Market Capitalization	C\$217.4

Cash Position	~C\$42.6 M
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SHAREHOLDER REGISTRY

Osisko Gold Royalties	13.3%
Tocqueville	9.0%
Investissement Quebec	5.2%
Oppenheimer Funds	2.0%
Old Mutual	1.6%
RBIM	1.1%
CIBC Asset Management	1.0%
Caisse de Depot du Quebec	1.0%



Source: Factset, Bloomberg, public filings and Company estimates

HORNE 5 PROJECT | LOCATION



- ★ **Located in Rouyn-Noranda, Québec, Canada**

- Access to better & experienced miners due to better work-life balance & conditions
- Eliminates the need for a camp

- ★ **Experienced labour pool**

- The region of Abitibi produces some of the most experienced miners in the world

- ★ **Experienced suppliers**

- Access to tier 1 mining equipment suppliers & mining contractors in the world
- ~80% of required suppliers & contractors located within 1 hour from project

- ★ **Québec Government**

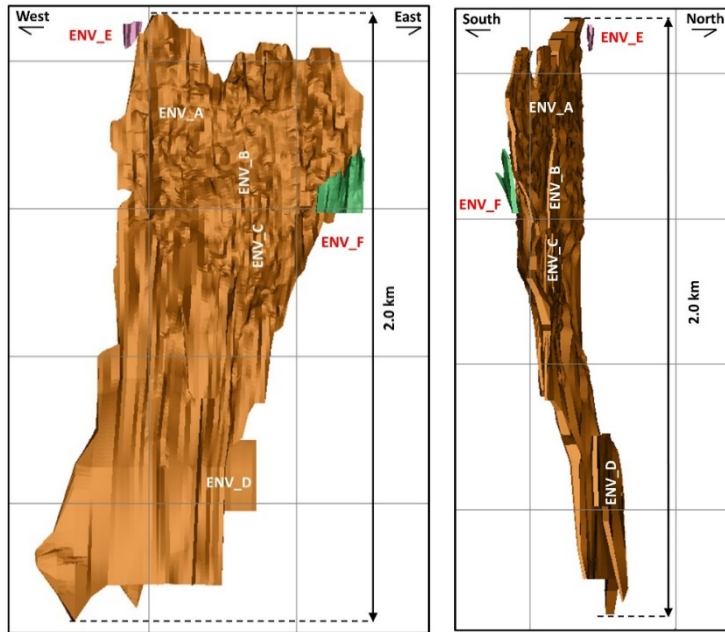
- Strong supporter of the mining industry
- Clear permitting process & BAPE process for operations over 2,000 tpd

- ★ **Great infrastructure**

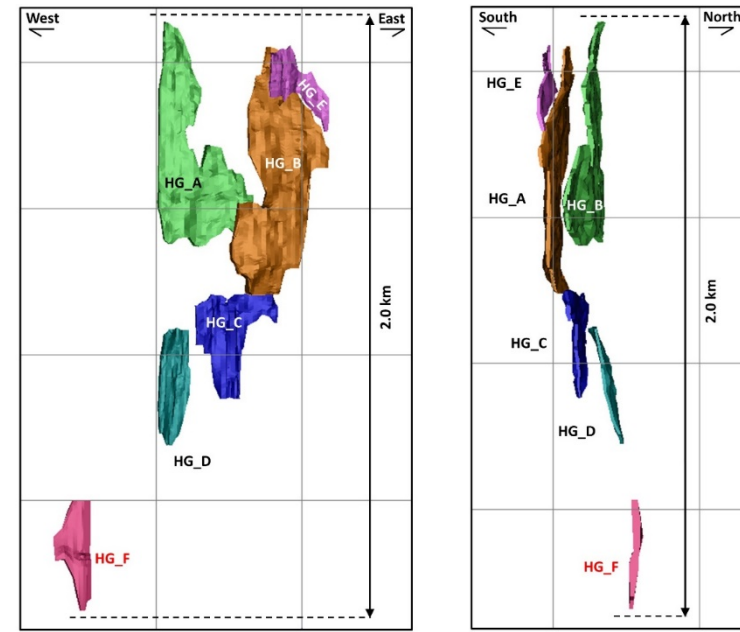
- Rail & highway access
- Affordable and reliable power source

HORNE 5 PROJECT | LONG & CROSS SECTIONS OF THE DEPOSIT

MINERAL ENVELOPS



HIGH GRADE ZONES



MEASURED & INDICATED + INFERRED (at C\$55 NSR cut-off)

Resource Class	Tonnes	Au Equivalent g/t	Au g/t	Ag g/t	Cu %	Zn %	Contained Au EQ (mm oz)	Contained Au (mm oz)	Contained Ag (oz)	Contained Cu (mm lbs)	Contained Zn (mm lbs)
Measured	9.4	2.45	1.58	16.33	0.18	0.81	736	475	4,914	37.7	167.4
Indicated	81.7	2.41	1.56	14.19	0.18	0.86	6,336	4,088	37,295	315.8	1,552.7
Total M&I	91.1	2.41	1.56	14.41	0.18	0.86	7,072	4,564	42,209	353.5	1,720.1
Inferred	22.3	2.39	1.47	22.98	0.20	0.68	1,710	1,053	16,463	99.2	336.1

HORNE 5 PROJECT | THE NEW PROJECT – THE NEW VISION

★ A state-of-the-art UNDERGROUND MINING project

★ Mining method

- Transverse long-hole stoping
- Phase 1 – Stope size 40m X 25m X 20m (~69,000 t per stope, 83 stopes per year)
- Production drilling in ore at 6.5 inches
- Primary – secondary stope mining sequencing
- Stope paste backfill to ensure stability
- 3% dilution
- 95% ore recovery

★ 2016 PEA

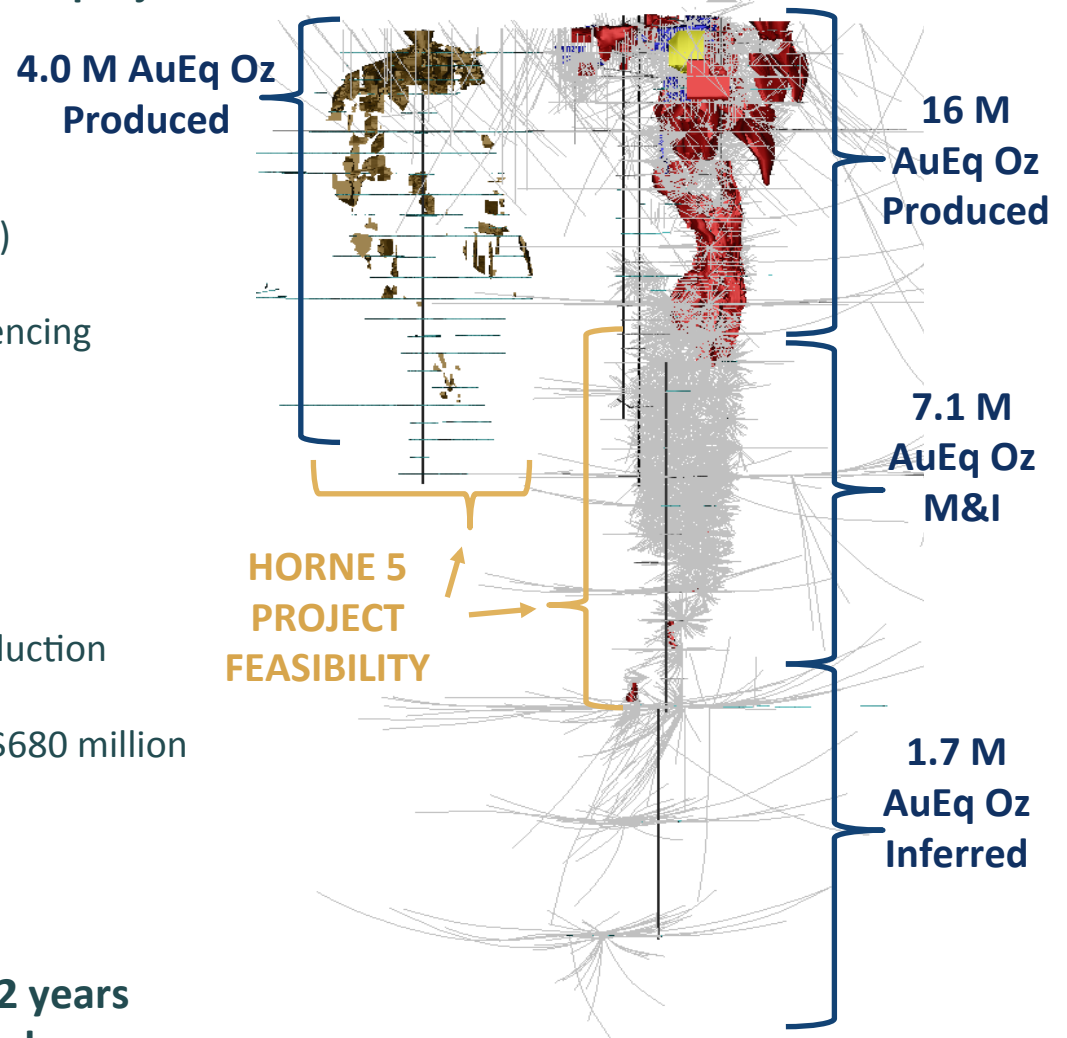
- 236,000 ounces of avg. annual gold production
- US\$427 per ounce all-in cash cost
- Development capital investments of US\$680 million

★ Quemont Shaft

- Use of existing 1,200 metre shaft

★ 525 full-time jobs during operation : >12 years

★ 800 jobs during 18-24 construction period



HORNE 5 PROJECT | HIGH LEVEL OF AUTOMATION



★ STATE-OF-THE-ART OPERATION

- Surface control underground operations:
- Hoist – production and services
- Teleoperation of loaders
- Monitoring and management of ventilation requirements and paste backfill distribution
- Water pumping monitoring
- Staff & equipment location monitoring

★ HIGH CAPACITY PRODUCTION MINING EQUIPMENT

- Scoop tram: 21 metric tonnes
- Haulage truck: 63 metric tonnes
- Conveyor system from deposit to Quemont shaft
- Ability to operate between working shifts (20h/day vs 14h/day for a conventional mine)



The diagram illustrates the complex process of lead-zinc-copper processing, starting from raw materials and ending with various concentrates and tailings management. Key stages include:

- Raw Material Handling:** GRITZLY and ROCK BREAKER feed into the initial crushing stage.
- Crushing and Grinding:** JAW CRUSHER and AGGR. FEEDER lead to UNDERGROUND MILL and BALL MILL.
- Flotation:** COPPER FLOTATION, ZINC FLOTATION, and PIRITE FLOTATION stages.
- Thickening and Filtration:** THICKENERS and FILTER PRESS units are used for concentration and dewatering.
- Drying and Concentration:** DRIVING OVEN and INDUCTION FURNACE lead to COPPER CONCENTRATE, ZINC CONCENTRATE, and PIRITE CONCENTRATE.
- Carbon Recovery:** CARBON RECOVERY SYSTEM and CARBON FINE handling.
- Tailings Management:** TAILINGS PUMP, HOLDING TANK, and UNDERGROUND DISPOSAL.

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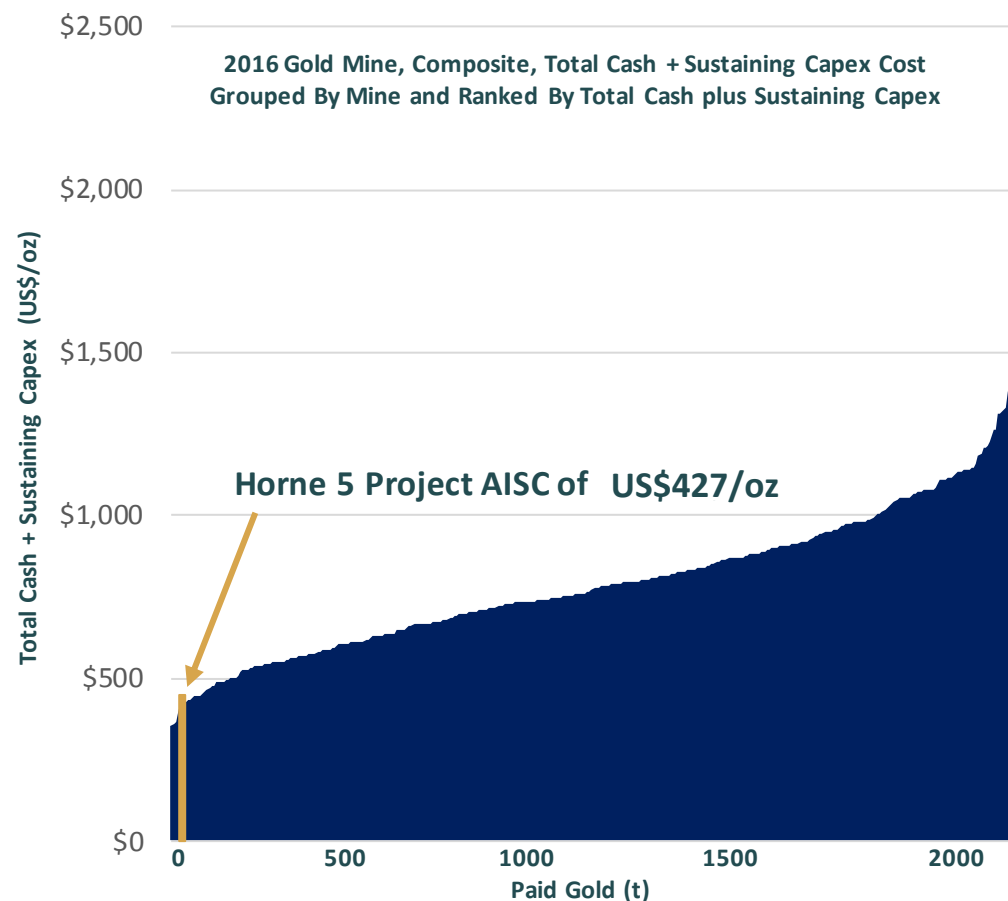
HORNE 5 PROJECT | LOW ALL-IN SUSTAINING COST, A TOP QUARTILE ASSET

Cash Cost Summary (PEA)

Mining	\$324
Processing	\$340
Tailings and Water	\$70
G&A	\$47
Smelting and Refining	\$107
Royalties	\$35
By-Product Credit	(\$608)
Sustaining	\$98
Closure	\$13
Total AISC	US\$427

Pre-Production Cost	\$233
All-In Costs	US\$660

2016 Gold AISC Cost Curve

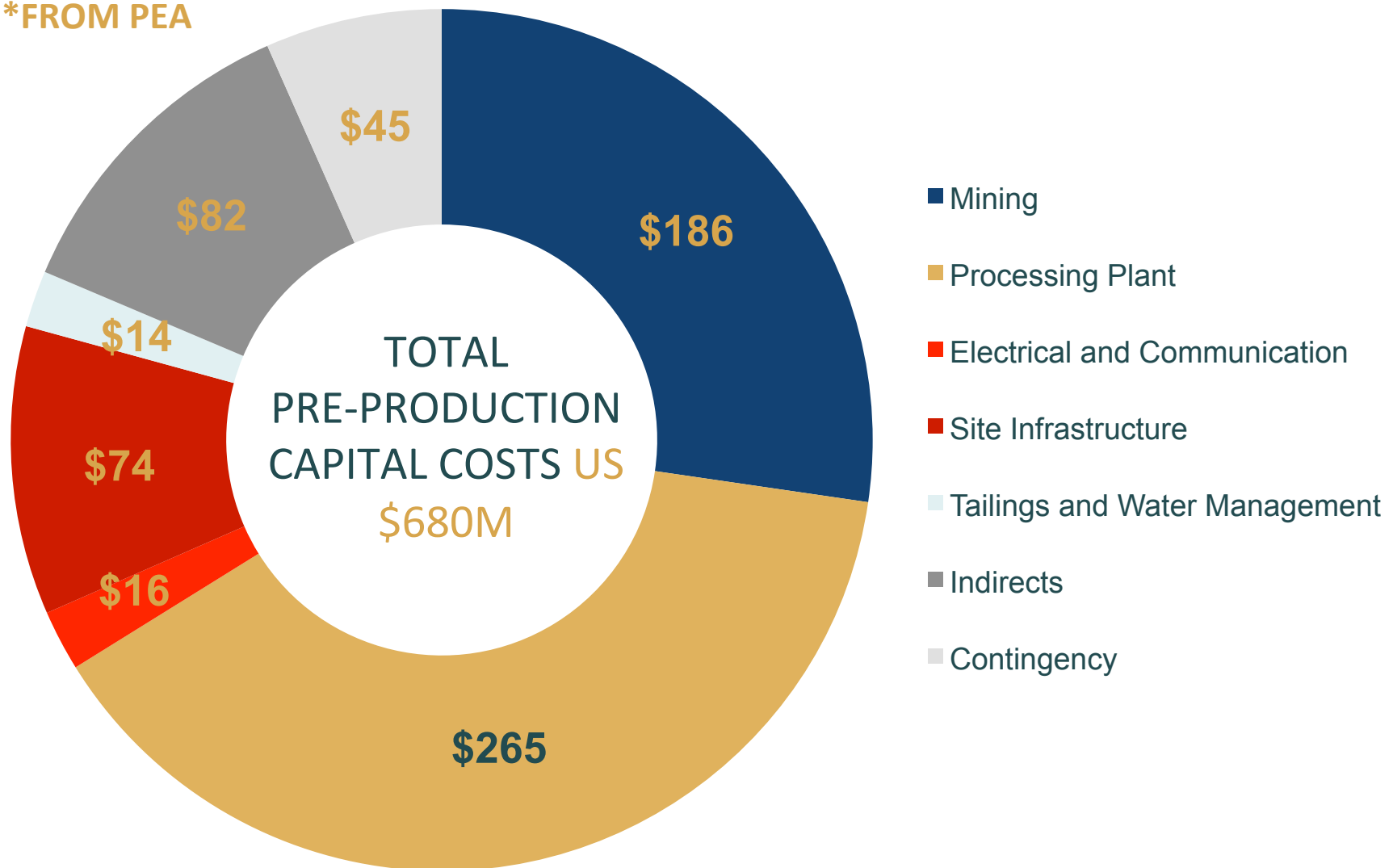


Source: Wood Mackenzie Ltd. And BMO Capital Markets

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

HORNE 5 PROJECT | DEVELOPMENT CAPITAL EXPENDITURES US\$680M

*FROM PEA



Note: Amounts may vary due to rounding.

HORNE 5 PROJECT | FEASIBILITY ADVANCING – SURFACE



HORNE 5 PROJECT | HIGH MARGIN PROJECT

	Goldex D Zone (Agnico Eagle)	Young-Davidson (Alamos)	LaRonde 2 (Agnico Eagle)	Horne 5 PEA (Falco)	Horne 5 CURRENT (Falco)
Resource Grade (g/t AuEq)	1.69	2.69	5.1	2.9	2.4
Mining Method	Long hole	Transverse long hole	Long. Retreat / Tr. Open Stoping	Transverse long hole	Transverse long hole
Depth (m)	670 - 1,200	750 - 1,500	2,000-3,000	600 - 2,300	600 – 1,800
Stope Size	22 x 30 x 50	12-40 x 20 x 30	5-25 x 15 x 30	38 x 15 x 15	P1: 40 x 20 x25
Mining Rate	6,800 tpd	8,000 tpd	7,200 tpd	15,000 tpd	16,000 tpd
Specific Gravity	2.8	2.69	3.3	3.45	3.45
Mining Dilution	15%	10%	10%-20%	< 4%	< 4%
Operating Cost/NSR	C\$35-37/t *	C\$53.50/t *	C\$95/t	C\$47.50/T*	n/a
Annual Production (koz)	113,300 *	200,000 *	230,000 *	236,000*	n/a
IRR **	15.0% IRR	10.3% IRR	13.3% IRR	16.0% IRR	n/a

* Projected life-of-mine (LOM) and 2017-2019 average for Goldex

** Last available public filings

Source: Company website, technical reports and filings from SEDAR

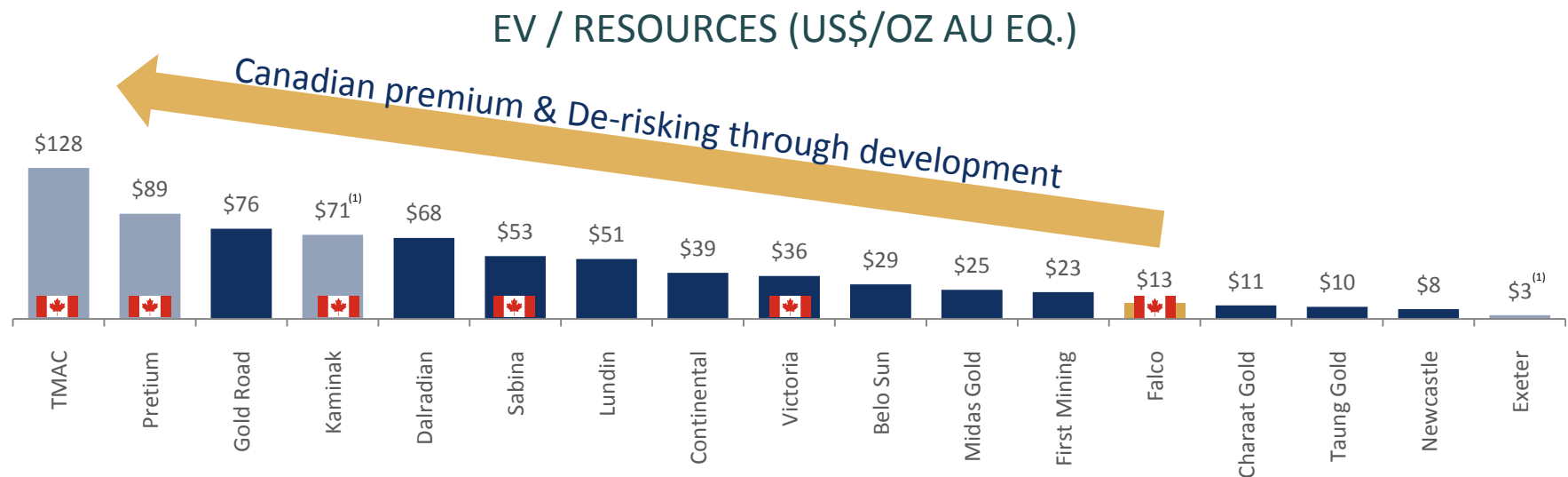
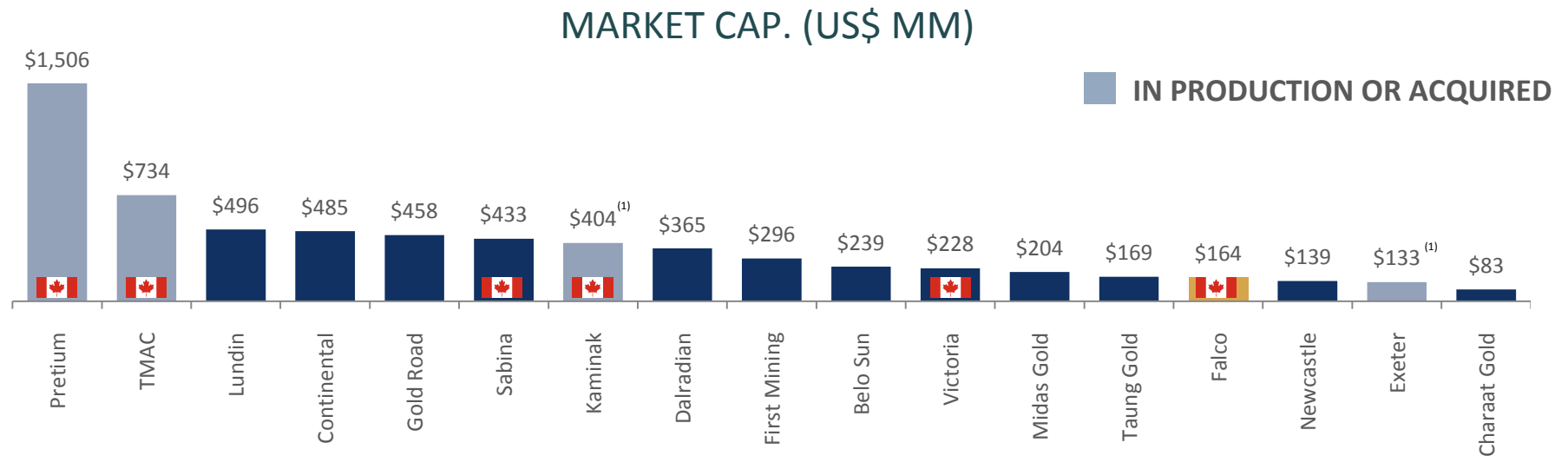
HORNE 5 PROJECT | RECENTLY ANNOUNCED STUDIES

Operator	Project	Country	Post-Tax IRR	Mine Life
<i>Projects to produce over 100,000 gold ounces annually:</i>				
• Lundin Gold	Fruta del Norte	Ecuador	15.7%	13 years
• Agnico Eagle	Meliadine	Canada	10.8% *	14 years
• Teranga Gold	Banfora	Burkina Faso	15%	9 years
• IAMGOLD	Coté Lake	Canada	14%	17 years
• Dalradian	Curraghinalt	Ireland	24%	11 years
• Columbus Gold	Montagne d'Or	French Guiana	18.7%	12 years
• CG/PG	Hardrock	Canada	14.4%	14 years
<i>Projects to produce close or less than 100,000 gold ounces annually:</i>				
• Pure Gold	Madsen	Canada	47%	14 years
• Brio Gold	Santa Luz	Brazil	43%	10 years
• IDM Mining	Red Mountain	Canada	32%	6 years
• Alamos Gold	Kirazli	Turkey	44%	5 years

Source: Company website, technical reports and filings from SEDAR

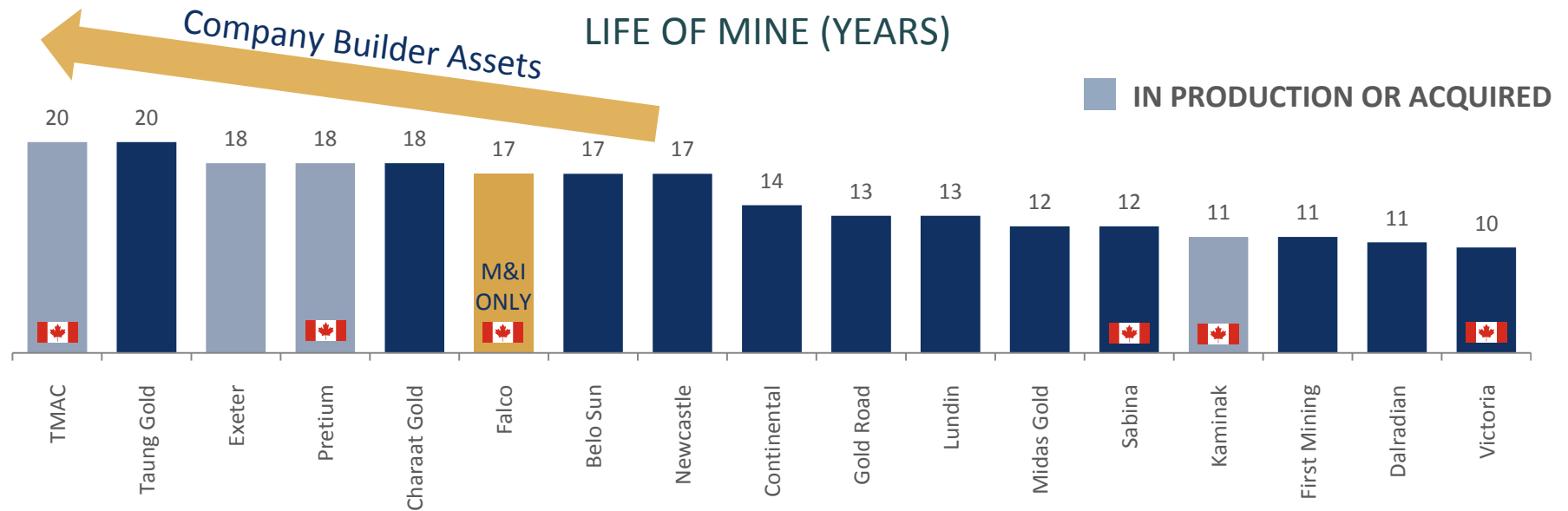
* Last available public number

COMPARABLES – PRE-PRODUCTION > 5 M OZS & CAPEX BELOW \$1BN

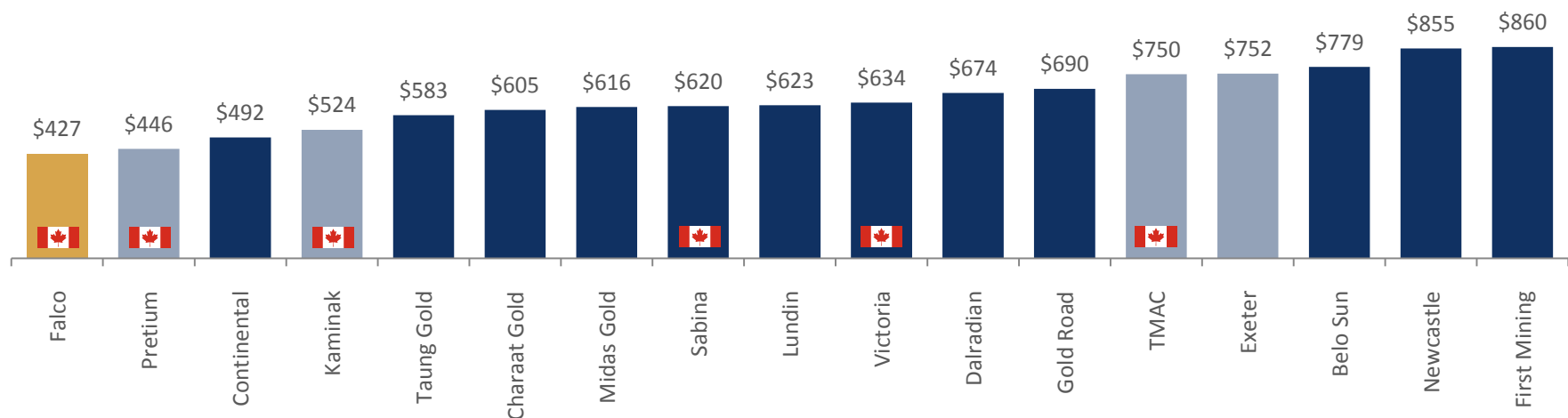


1. Acquisition Multiple
Source: Company websites, filings from SEDAR and Factset

COMPARABLES – PRE-PRODUCTION > 5 M OZS & CAPEX BELOW \$1BN



ALL-IN SUSTAINING CASH COST (US\$/OZ AU)

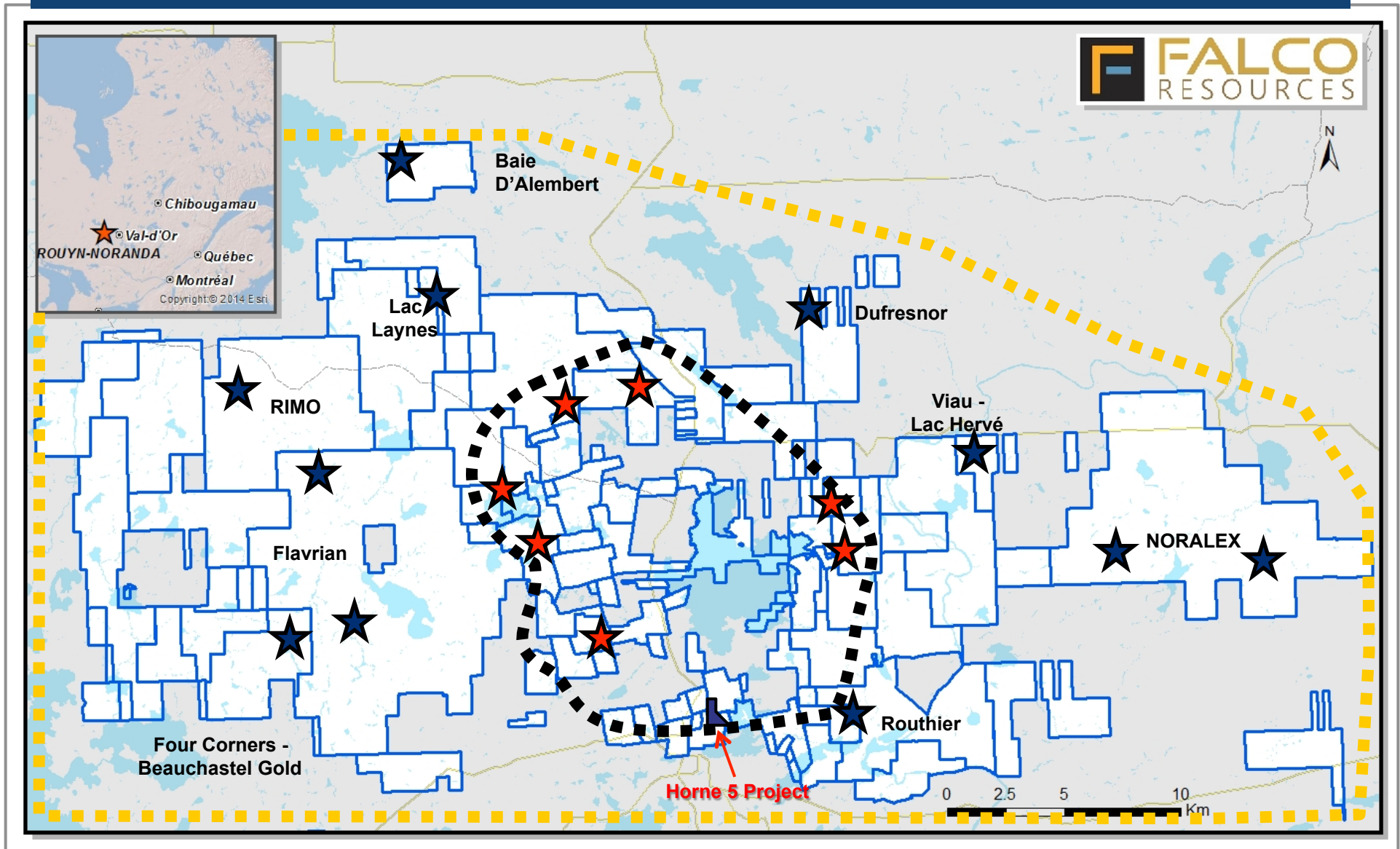


1. Payback period not disclosed.
Source: Company websites, filings from SEDAR and Factset

HORNE 5 PROJECT | PROJECT SCHEDULE

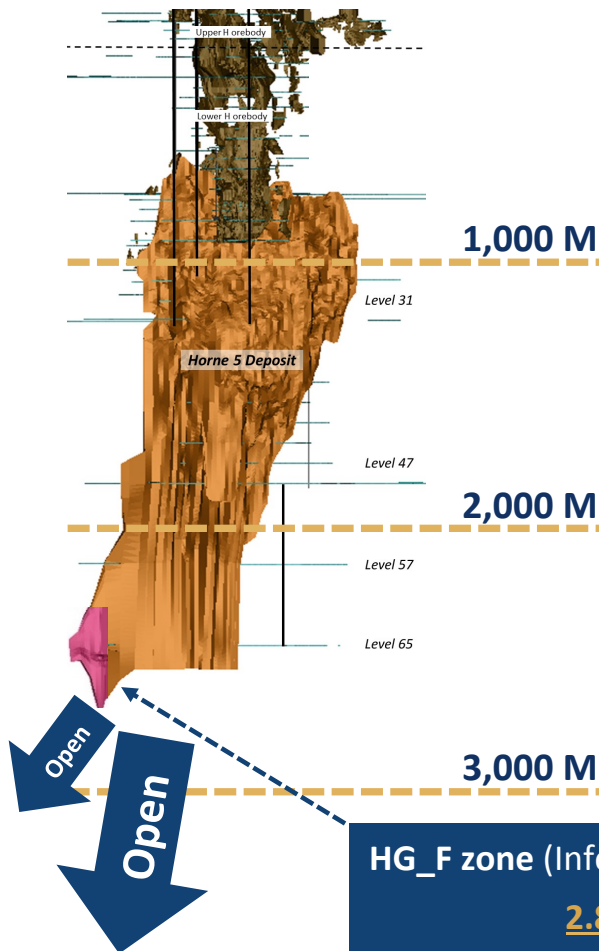
ACTIVITIES	START	COMPLETION
PEA		COMPLETED
Feasibility Study	Q2 2016	Q3 2017
Environmental Impact assessment	Q2 2016	Q4 2017
Dewatering (Phase 1)	Q1 2018	Q3 2019
Detailed engineering	Q4 2017	Q4 2018
Head frame and hoist construction (Exploration Phase)	Q4 2017	Q3 2018
Public audiences – “BAPE”	Q4 2017	Q1 2019
Permits for project construction		Q2 2019
Processing plant construction	Spring 2019	
First mineralized ore in mine		Q1 2021
Full mine ramp up (Phase 1)		H1 2021
End of process plant construction / plant commissioning		H1 2021
Process plant ramp up		H2 2021

FALCO RESOURCES | REGIONAL EXPLORATION – 40,000 METRE PROGRAM



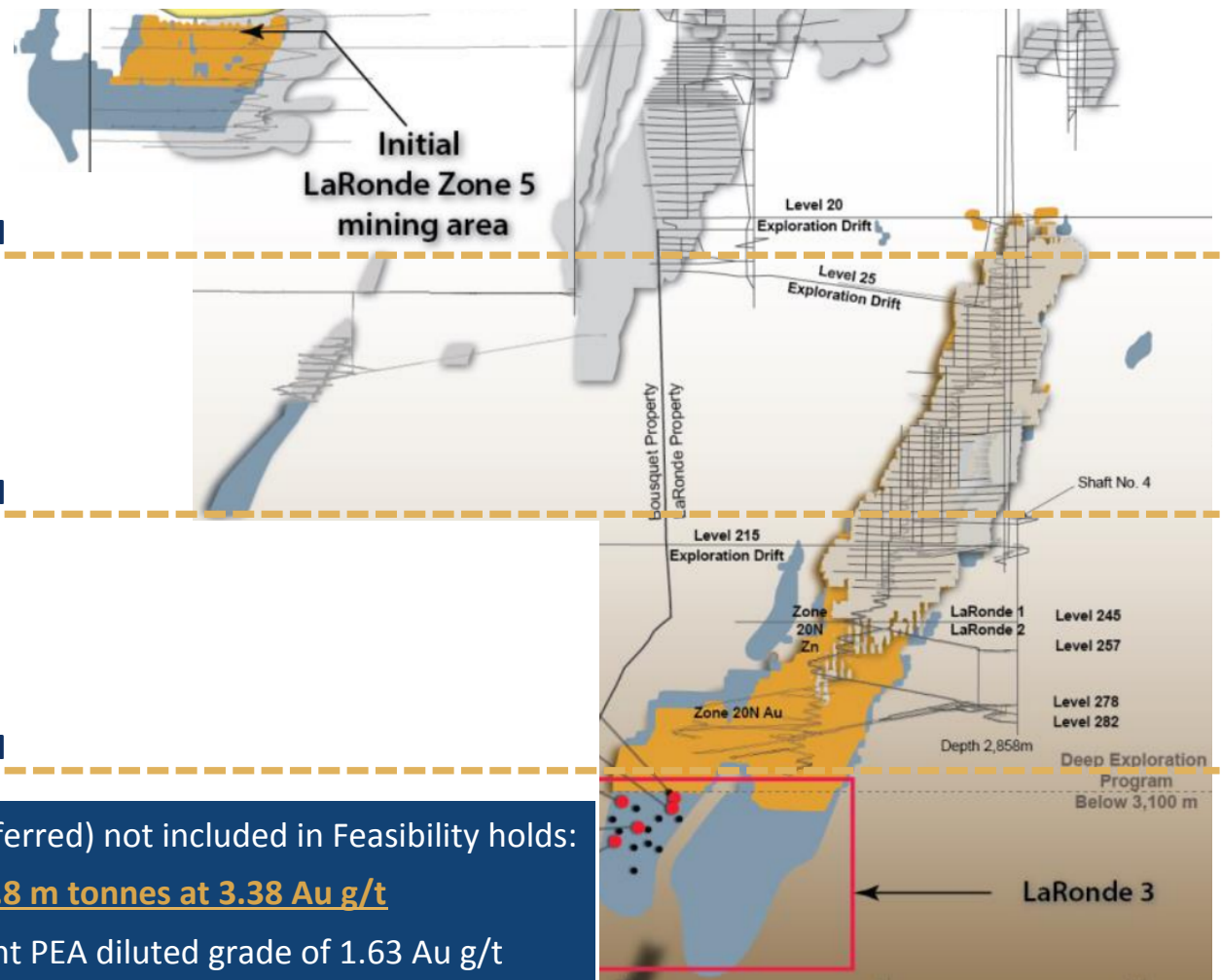
HORNE 5 PROJECT | DEEP EXPLORATION POTENTIAL (VS. LA RONDE VMS)

Horne 5 Project



HG_F zone (Inferred) not included in Feasibility holds:
2.8 m tonnes at 3.38 Au g/t
VS. current PEA diluted grade of 1.63 Au g/t

La Ronde Complex (Agnico Eagle)



OBSERVATION: WHAT IS LEFT IN THE ABITIBI 10 YEARS FROM NOW?

- ★ Dearth of sizable gold projects in the Abitibi 10 years from now

HORNE 5 PROJECT:

- ★ Long-life Project & Low AISC: >12 years of life with upside & < \$427/ Au Oz AISC
- ★ State-of-the-art project: A true mine of the future
- ★ Strong Exploration Upside
- ★ Ideal location: Infrastructure & Strong Labour Pool + Strong Government Support
- ★ Strong & Experienced Team to Advance the Project



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