



FALCON GOLD CORP.
520- 470 Granville St.
Vancouver, BC V6C1V5

+1 604-683-1991
+1 604 683-8544

www.falcongold.ca
info@falcongold.ca

NEWS RELEASE

FG: TSX-V

FALCON OPTIONS PAST PRODUCING GOLD-SILVER CONCESSIONS COVERING OVER 36,000 HECTARES IN ARGENTINA

HIGHLIGHTS:

- Significant land position, strategically located;
- Largely under-explored region in La Rioja province;
- Numerous historical surface & shallowly drilled, high-grade gold occurrences;
- Evidence of several sites of artisanal and small-scale mining;
- Low cost of entry.

Vancouver, B.C., October 03, 2017. **FALCON GOLD CORP.** ("Falcon" or the "Company") reports it has signed a letter agreement (the "Letter") for the right to acquire an initial 80% interest in the Esperanza Resources S.A. ("ERSA") mineral concessions located in La Rioja Province and in San Luis Province of Argentina. These provinces occur in the region of northwest Argentina, which is known for its mineral wealth and for its large long-life precious and base metal deposits. In neighbouring San Juan province are McEwen Mining's Los Azules project and the Barrick/Shangdong Gold Veladero gold mine. The Bajo de la Alumbrera mine in Catamarca province is one of the largest and lowest cost copper and gold mines and has been in production since 1998.

Stephen Wilkinson, Falcon's CEO commented "We are excited to have this opportunity to acquire such a sizeable project in a region of Argentina where the federal and provincial governments are actively implementing changes favorable to business and mining. The Esperanza concessions cover several notable high-grade gold occurrences as well as historical artisanal and small-scale mining sites. Despite this evidence of attractive gold mineralization, La Rioja province is remarkably under-explored."

The ERSA Property

The Property is comprised of 11 mineral concessions covering an aggregate area of 36,034 hectares ("ha"). The Property is located within the Sierra de Las Minas District of La Rioja and San Luis provinces in Argentina about 20 kilometres ("km") south-southeast of the town of Chepes. The city of San Juan is about 250 km by highway to the west-southwest. The Property's 10 mineral concessions within La Rioja province encompass approximately 35,870 ha. Within San Luis, the ERSA concessions amount to 165 ha and comprise 3 mineral claims.

Gold mineralization was reportedly first discovered within the district in or about 1865 at the Callanas occurrence. Limited mining was conducted on a gold and copper zone. Other sites of small scale mining within the ERSA concessions include the El Espinillo, Callanas East and West, El Abrita, Cerro Alto, Las Lajas and San Isidro. The Los Dos Buhos mine is contained within the 3 claims located in San Luis province.

The history of exploration work within the Sierra de Las Minas district is summarised as follows:

- 1993 to 1995, Japanese-Argentine Mission: conducted an assessment of the various mineral showings in the district. An unspecified amount of drilling was completed with 6 drill holes targeted on the Callanas zone.
- 1997, Australian Geological Survey Mission: published its geological, geophysical and metallogenic assessment and concluded that vein-hosted mesothermal gold is the principal target.
- 1996/97, La Plata Gold: carried out a single year geochemical survey.
- 1997 to 2003, Golden Peaks Inc.: carried out several campaigns of surface mapping, geochemistry, geophysical surveys and drilling in two phases within the region. Golden Peaks completed 96 diamond drill holes totalling 7,890 meters (“m”). One reported historic intersection in hole JV-36 drilled on the Callanas zone returned a result of 7.64 grams/tonne (“g/t”) Au across a true width of 1.97m and at a vertical depth of approximately 105m.
- 2008 (Jun-Jul), Compañía de Minas Buenaventura SA: carried out trenching and collected samples grading from 0.5 g/t Au to 83.1 g/t Au. It was reported 28.0 g/t Au over 3m at Los Dos Buhos. Trenching at El Portezuelo reported 38.1 g/t Au and 179 g/t Ag over 4m.
- 2008 (Aug-Sep), Minera Hochschild Argentina (MHA): drilled a total of 16 holes on the Callanas zone and reported narrow and high-grade intersections such as in drill hole SMD-13 where over a true width of 0.8m the grade was 7.69 g/t Au. Sampling of the Callanas surface occurrences returned analyses grading up to 25.8 g/t Au and 24.9 g/t Ag over widths of up to 2 m. Where analysed, copper returned values up to 4.25%. ERSA reports that the Callanas West zone has been mapped for approx. 4,000 m.
- 2012, Malbex San Juan SA: conducted a preliminary review and sampling of certain gold occurrences.
- 2012 to Present, ERSA: acquired the concessions Esperanza 1 to 10 and the Los Dos Buhos claims. Constructed a small mill and flotation plant to process gold mineralized material. The plant operated briefly and produced mineral concentrates containing gold, silver and copper. It is not certain of the quantity of rock processed or of the tonnes of concentrate produced.
- 2012 to Present, ECR Minerals PLC: drilling by ECR’s subsidiary, Ochre Mining, amounted to 13 diamond drill holes totalling 1,112 m.

The Sierra de Las Minas district is a cigar-shaped north-south trending geological belt approximately 75 km long by up to 15 km wide within southern La Rioja province. The rocks are Lower Paleozoic-age and include highly metamorphosed sedimentary and migmatitic units intruded by diorites and granites. Gold occurs predominantly within the Property in mesothermal veins in host rocks that are variably altered. Common alteration includes sericitization, silicification and chloritization within schistose units. Veins are located along shear-zones on conjugated northwest-southeast and northeast-southwest orientations and near vertical dip. In many instances, the veins have been mapped along strike for several tens of meters and in general are discontinuous and with irregular thickness. Gold frequently occurs with silver and copper oxides, sulphides and hematite.

Option Terms

Subject to its due diligence and TSX Venture Exchange approval, Falcon has agreed to make escalating payments over a six-year option period to ERSA totalling US\$2,600,000 in cash and to issue a total of 1.5 million Falcon common shares. The initial payments through to the completion of due diligence and regulatory approval will consist of cash of US\$40,000 and 500,000 Falcon shares. During the six-year option period, Falcon is to make exploration expenditures on the Property amounting to US\$5,645,000. Subsequent to acquiring its 80% interest, Falcon will have the right for a period of 24 months, to purchase ERSA's residual 20% interest (for a total Falcon ownership of 100% of the Property) for a further payment of US\$4.0 million and a 1% Net Smelter Return royalty.

Poposa Property Due Diligence

In its news release dated March 20, 2017, the Company announced it had signed a letter of intent ("LOI") to acquire an interest in the Poposa Property located in San Juan Province, Argentina. During the due diligence period, the vendor and the Company agreed to terminate the LOI and no further work has been undertaken.

Qualified Person

The technical content of this news release has been reviewed and approved by Daniel Rubiolo, P. Geo., who is a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects.

About Falcon Gold Corp.

Falcon is a Canadian mineral exploration company focused on generating, acquiring, and exploring opportunities in the Americas. The Company has 21,846,184 common shares outstanding and is listed on the TSX Venture exchange with the trading symbol: "FG". For information on the Company, please visit our website: www.falcongold.ca.

CONTACT INFORMATION:

Falcon Gold Corp.

David Tafel
Chairman

Stephen Wilkinson
CEO & Director

Telephone: 604-683-1991

Email: info@falcongold.ca

Cautionary Language and Forward-Looking Statements

This news release may contain forward looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, etc. Forward looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

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