

GOLD & MINERALS

GAZETTE



SHARESCOPE

Falcon Minerals Ltd (FCN)

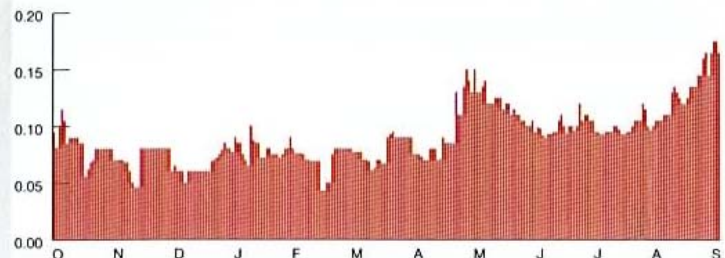
Broking House: Fat Prophets

Recommendation: Hold

Market Cap: \$23,516,840

Issued Cap: 142,525,303

Share price as at October 9, 2009: 16.5 cents



APART FROM A few high profile examples over recent times where spectacular exploration hits have been reported, junior exploration companies are still continuing to have a relatively tough time of it. This is despite the fact there are a host of great companies and projects out there. Falcon Minerals is one of these, boasting two strong projects that could pay off big time, if only thorough and sustained exploration activity can be maintained by the company's joint venture partners.

Fat Prophets initially recommended Falcon Minerals at 51 cents in January 2006 and our last review of the stock was in May.

Since then, there has been an encouraging improvement to the outlook for the company.

After consolidating between 5-10 cents between October and April, prices lifted to a high of 16 cents in May. Nevertheless, previous long term support between 22.5-14.5 cents continues to provide a significant barrier to further gains. A sustained break above this region is required to greatly improve the broader outlook and signal the beginning of a sustained upward trend. Falcon is a different kettle of fish to the majority of its exploration peers. Funding is not so much an issue, rather the level of exploration activity upon its projects. The company has \$2.8 million in the bank and its funding commitments at present are only modest. The company has two high quality exploration projects being evaluated by partners AngloGold Ashanti Ltd.