

Business Markets

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Prophet hangs on to Falcon

FALCON MINERALS

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Fat Prophets has reaffirmed its hold recommendation on Falcon Minerals, (FCN) citing the potential of Falcon's joint venture with BHP Billiton over the Collurabbie nickel project in WA.

"Encouragingly, Falcon has largely avoided the broader market volatility of the past two weeks. In our opinion, this provides further evidence of investor support for the stock," the research house said.

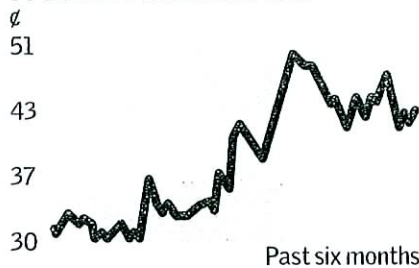
It said if Falcon shares could maintain some momentum above 51¢, then they could re-test their August 2006 high of 67¢. However, Fat Prophets admitted to some frustration over the pace of work on Collurabbie.

"It has, for a number of reasons, not been an easy road for investors. This is because it is not your typical exploration play and BHP's exploration program can best be described as moving at glacial pace", the group said.

But Falcon "possesses all of the key ingredients for success — a high quality and unique ground position, proven management, strong investor backing and world-class partners".

Falcon gained 1.5¢ to 43¢.

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