



Off The Call - Falcon Metals

Falcon offers an interesting opportunity to discover a substantial gold system immediately north of the historic Bendigo Goldfield. Its wholly owned Blue Moon project has intersected mineralisation over more than 850 metres of strike, with multiple stacked reefs and a roughly six click corridor to test. Results including 1.2m at 543g/t gold and 6.5m at 33g/t demonstrate exceptional local grades.

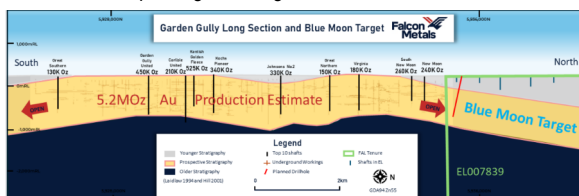
Following their issue on 4 September, Falcon had 263.79 million ordinary shares outstanding. The recent 30M raise allows for a large 60,000m program at Blue Moon and 5,000 of RC on their WA project over the next two years.

Blue Moon remains pre-resource, with management prioritising step out drilling to demonstrate scale. Structural continuity does not yet establish economic grade continuity as the latest Lotus extension returned 0.7m at 1.1g/t, while Falcon reported indications that the deeper Dahlia zone was weakening northward. Coarse gold, variable widths and depth leave substantial work before a reliable resource and development case can be established.

Blue Moon's appeal rests on a specific piece of mining geology. The historic Bendigo Goldfield produced more than 200,000 ounces a year for 65 consecutive years after its 1851 discovery. The field owes that longevity to anticlinal structures hosting multiple stacked quartz reefs, an architecture that delivers both high grade and strong continuity along strike, offsetting the coarse nuggety nature of the gold itself. Fosterville, 25km east, is the modern proof that this province still has upside left in it: a lowish-grade refractory orebody that changed hands repeatedly before Kirkland Lake (now Agnico Eagle) discovered the Swan Zone within a year of acquiring it in 2016, turning it into an ultra high-grade, free milling mine that at its peak generated more than a billion dollars of free cash flow annually. Falcon's argument is that the ground immediately north of old Bendigo was never properly tested, because prior explorers were focused on mining under the historic field itself.

Falcon's permit covers six kilometres of strike north of the historic Bendigo Goldfield (the goldfield itself remains government-held ground and is not part of the tenement). A 3D reconstruction of historic workings, obtained after the permit was granted in 2023, showed that the Garden Gully line, a historic 5.2 million ounce line of reef, had workings more than a kilometre deep that ran right up to Falcon's tenement boundary without ever testing the down plunge extension onto Falcon's ground.

Drilling has since extended 850 metres along strike, with five separate quartz zones now returning visible gold and high grades, up from three earlier in the programme, and reefs appearing in every section drilled so far. An 1903 map of the district (Whitelaw) shows several further parallel anticlines already identified in outcrop, giving Falcon a defined set of additional targets. Management's stated plan is to test the first 2-2.5km of the Garden Gully line over the next 6-12 months using 200m step-out holes, while a third rig works parallel structures. More than 5km of the Garden Gully line alone remains untested before parallel reefs are considered. The question is not really if the system exists it's about proving how large it is.



One data point on metallurgy: Somehow, some in capital markets have convinced themselves that this is refractory, which is not the case, this is coarse and liberated gold consistent with a free milling deposit.

At \$150M it's not a bargain. However, we back the management team and the geological thesis. Using an EV multiple of \$120-140/oz as a benchmark the market is pricing in around ~0.8-1.0 Moz at today's market levels before factoring in future development dilution which we think is fair and leaves room for upside at what could be a district scale underground operation, if the stepouts start proving up, buy.

Shareprice: 0.56 AUD

Market Cap: 150M AUD