



FALCON GOLD CORP. (TSX.V:FG)

High-Grade Gold Values from Exploration Across Multiple Properties – Initiating Coverage

SECTOR / INDUSTRY: JUNIOR RESOURCES

“A” Rating

Current Price: C\$0.12

Fair Value: C\$0.50

Risk: 5

Highlights

- Falcon Gold Corp. (“company”, “FG”) is building a portfolio of gold and polymetallic projects in **Ontario and British Columbia**. The current portfolio includes five projects, including two joint ventured with **IAMGOLD** (TSX:IMG) and International Montoro Resources (TSXV:IMT).
- The Flagship Property; Central Canada Gold mine is an historic producer, and is **just 20 km east of Agnico Eagle’s (NYSE: AEM) Hammond Reef Gold project**, which has a measured and indicated resource of 4.5 million ounces at 0.67 g/t gold.
- Falcon recently **completed an encouraging seven-hole drill program** on the property with all holes intersecting mineralization to a depth of 175m; Extending the known strike by 200m west of a **high grade 230 Koz (9.9 g/t) historic resource**. The program also returned visual zones of mineralization. Encouraged by the strong results, the company more than tripled its land package in the region.
- Falcon started a new 2,000m program November 2020 to prove up a resources estimate at Central Canada Gold mine.
- Recent sampling at its **Spitfire and Sunny Boy claims in B.C.** returned very high-grade values of 59.8 g/t gold over 2.2m, including 122 g/t gold over 1m, from the past producing Main vein. This vein had returned up to 50.53 oz/t from historic sampling.
- Management and board members hold 17% of the outstanding shares.
- FG currently has \$0.80 million in cash. **We estimate that in-the-money options and warrants can bring in over \$2.5 million.**
- We expect a number of catalysts in the near-term based on multiple exploration programs planned across its properties.

Price Performance (1-year)



	YTD	12M
Ret.	250%	250%
TSXV	36%	36%

Company Data

52 Week Range	C\$0.03 – C\$0.25
Shares O/S	89,789,118
Market Cap	C\$10.79
Warrants	23,134,134
Options	6,200,000

*See last pages for important disclosures, rating and risk definitions. All figures in C\$ unless otherwise specified.

Well funded for future exploration

Five properties in ON and one in B.C.

Located near well known deposits

Key Financial Data (Q1 – September 30th)

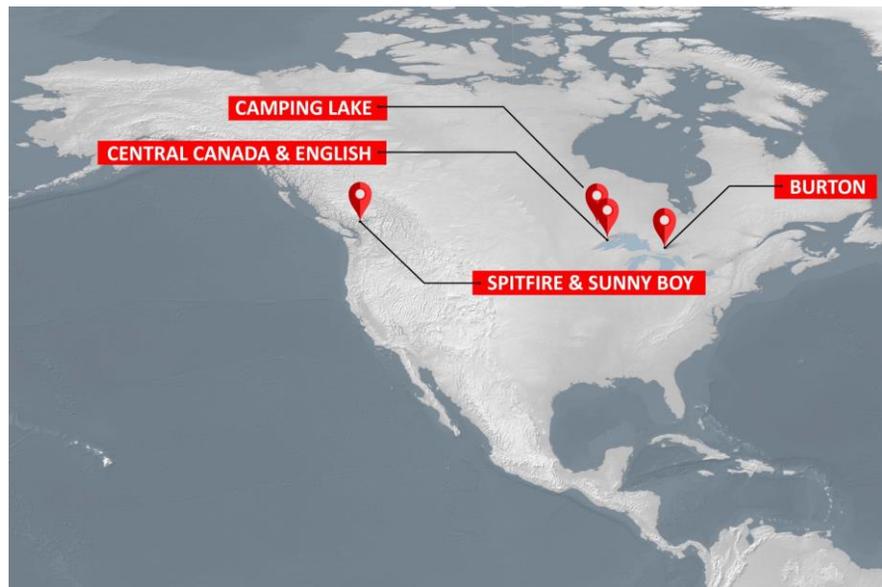
	September 30, 2020	June 30, 2020
ASSETS		
Current		
Cash	\$ 741,380	\$ 121,333
Amount receivable	38,227	29,912
Marketable securities (Note 5)	158,000	60,000
Prepaid expenses	16,100	23,300
	953,707	234,545
Exploration and evaluation assets (Note 6)	669,077	626,350
	\$ 1,622,784	\$ 860,895

Source: Falcon Gold's Financial Report

Overview

Falcon holds a portfolio of **five early stage (pre-NI43-101 compliant resource) gold and polymetallic projects** in Northwestern ON and B.C. The Flagship Central Canada gold project in Atikokan (ON) is a historic producer. The other four projects include the Camping Lake gold property in Red Lake, the Springpole West property near Red Lake, a 49% interest in the Burton gold property near Sudbury, and the Spitfire and Sunny Boy Gold claims near Merritt, B.C. As shown below, FG's projects in Ontario are located **close to several well-known deposits**.

Project Portfolio



Source: Falcon Gold

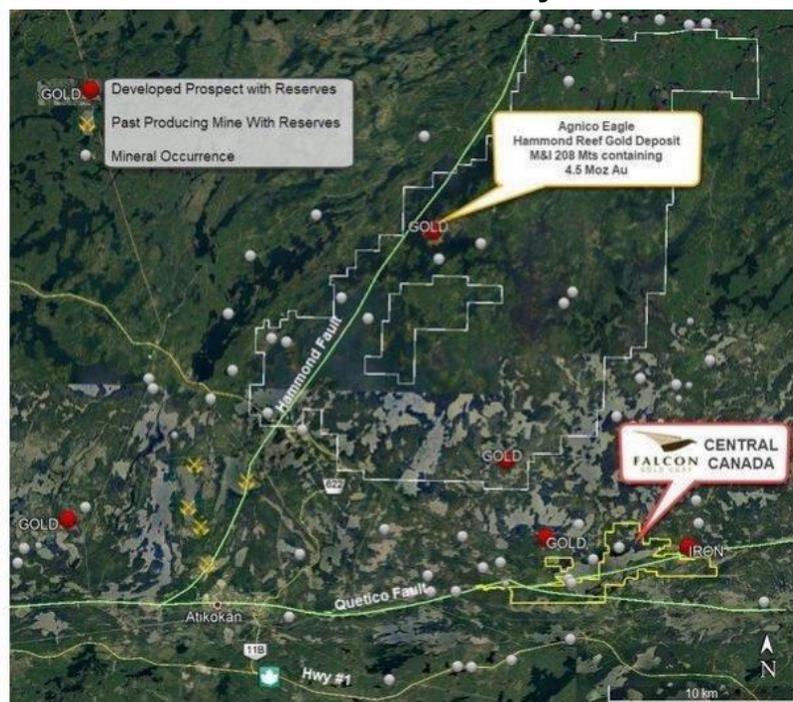
Central Canada Gold Project

FG can acquire a 100% interest in the project by making cash payments totaling \$142k (paid \$52k), issuing 325k shares (issued 100k), and spending \$100k (spent) in exploration over four years.

The project is subject to a 2% net smelter return, of which FG can purchase 1% for \$1 million.

The 10,392 ha project is located 21.5 km east of Atikokan, 160 km west of Thunder Bay, and **20 km east of Agnico Eagle's Hammond Reef gold project**. Hammond Reef has a measured and indicated resource of 4.5 Moz at 0.67 g/t gold. Directly adjacent to the Central Canada project is a small historic mine (Sapawe), which has produced 4.5 Koz gold, but has a very high-grade historic resource of 164 Koz at 9.7 g/t. In addition, New Gold's (TSX: NGD) **Rainy River gold mine is located 108 km west of Central Canada**. Rainy River has 2.6 Moz in gold reserves, and produced 257 Koz in 2019.

Central Canada Project



Flagship asset is just 20km east of Agnico Eagle's Hammond Reef

Central Canada is also a historic producer with a shaft and a 75 tpd mill built in the 1930s. **The property has a historic resource of 230 Koz (with high grades of 9.9 g/t), calculated in 1934.**

The project was subject to drilling in 1966, 1985 and in 2012, prior to FG taking control in 2018. Approximately 30 holes were drilled prior to FG, with some holes returning very high-grade values, such as 37.0 g/t over 0.61m, 44.0 g/t over 2.1m, and 27.5 g/t over 1.17m. **Longer intercepts also returned encouraging values such as 1.83 g/t over 23.3m, 7.13 g/t over 3.9m, and 4.69 g/t over 3.30m.**

Historical Drilling

Year	Company	Hole No.	Width		Gold	
			(ft)	(m)	(g/tonne)	(oz/ton)
1966	Anjamin Mines Ltd.	S-1	1.5	0.46	6.90	0.221
			2.0	0.61	37.00	1.184
			7.0	2.13	44.00	1.408
1985	Interquest Resources	AJC-85-1	5.1	1.56	6.25	0.200
		AJC-85-2	13.0	3.96	7.13	0.228
		AJC-85-8	10.8	3.30	4.69	0.150
		AJC-85-9	3.8	1.17	27.50	0.880
2012	Terrex Minerals	CC12-01	6.0	1.82	4.77	0.153
		CC12-03	76.4	23.30	1.83	0.059
		Incl.	6.1	1.86	4.44	0.142

Source: Falcon Gold

Historic drilling returned high grade values

In 2020, **FG completed seven drill holes totaling 1,055m**, to follow up on a mineralized zone identified in the 2012 drill program presented above. Key results and drill hole locations are presented below.

2020 Drilling Results

Central Canada Drill Highlights						
Hole ID	Sample ID	Au (g/t)	From (m)	To (m)	Width (m)	Intercept
CC20-01	467554	10.8	67	68	1	10.17 g/t over 3 meters
	467555	5.43	68	69	1	
	467556	14.3	69	70	1	
	467559	4.09	79.83	80.51	0.68	1.39 g/t Au over 6.5 meters
	467561	1.24	80.51	81.44	0.93	
	467562	1.79	81.44	82.5	1.06	
	467563	0.542	82.5	83	0.5	
	467564	0.173	83	84	1	
	467565	0.344	84	85	1	
	467566	0.87	85	86.33	1.33	
467576	18.6	104	105	1	18.6 g/t Au over 1 meter	

Source: Falcon Gold

18.6 g/t confirms a second deeper zone of mineralization

Drill Hole	From (m)	To (m)	Length (m)	Initial	Check	Averaged	Comments
				Assay Au (g/t)	Assays Au (g/t)	Assays Au (g/t)	
CC20-02							Start of 5.84m mineralized gold zone at 33m
	33.00	34.00	1.00	0.61			From 33.0m to 38.84m (5.84m), average grade of 2.45 g/t Au
	34.00	34.50	0.50	2.31			From 34.0m to 36.55m (3.55m), average grade of 3.41 g/t Au
	34.50	35.00	0.50	2.25			From 34.0m to 35.52m (1.52m), average grade of 7.07 g/t Au
	35.00	35.52	0.52	9.44	23.11	16.28	Visible gold was reported in the interval from 35m to 36.5m
	35.52	36.55	1.03	0.35	1.12	0.74	
	36.55	37.55	1.00	0.03			
37.55	38.84	1.29	1.68			End of mineralized gold zone at 38.84m	

Source: Falcon Gold

Encouraging results from FG's seven-hole drill program

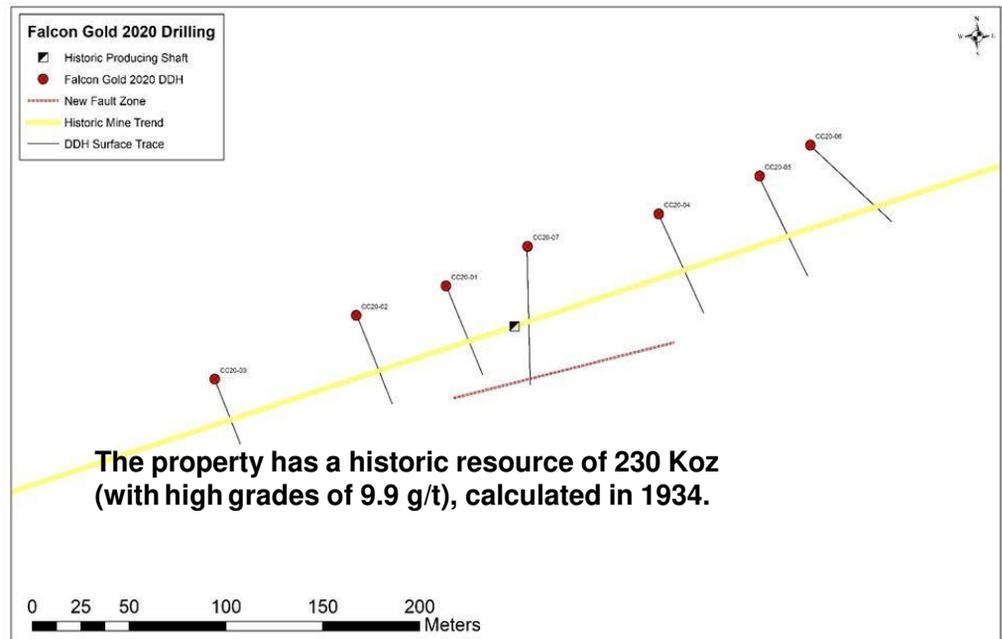
- **CC20-07: 10.17 g/t Au over 3m at 67m depth, as well as 18.6 g/t over 1m at 104m depth on a newly identified mineralized zone.**

Drilling along strike near historic mining shaft

1943 Historic Resource of 230,000 ounces grading as high as 9.9 g/t gold

A 2,000m drill program started in November 2020

Recent Drilling



We believe the program was highly encouraging due to a number of reasons:

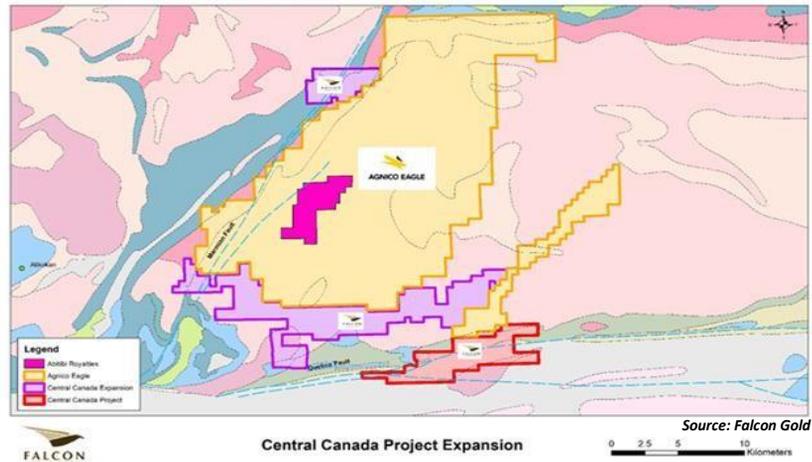
- All seven holes intersected the historical mine trend with mineralized quartz veins to a depth of 175m below surface.
- Two holes returned visual zones of mineralization.
- Extended strike by 200m west of the historic resource.
- Also defined a quartz porphyry unit at a depth of 40m to 65m.

Encouraged by the strong results, in July 2020, the company expanded its land package by acquiring another 7,477 ha, increasing its land position in the region to 10,392 ha. FG is now the second largest land holder in the region, after Agnico Eagle. The new acquisitions include multiple historical exploration targets identified through the Ontario Government's Energy, Northern Development, and Mines ("ENDM").

Although it is early for us to speculate on the project's potential, the historic drill results, and results of FG's first drill program, indicate that the project holds potential to hold a high-grade deposit. In November 2020, FG returned to drill a planned 2,000m (estimating 9 holes) to create the project's first compliant mineral resources estimate. As of publication Falcon also started an airborne geophysics survey to define future drill targets.

Falcon is strategically positioned around Agnico Eagle

Expanded Land-package at Central Canada



Falcons management has become strategically aggressive in its 2020 land acquisitions. Springpole West Gold Property adds a large land package to Falcon's portfolio in the mining friendly Red Lake gold district. Falcon continues to add significant shareholder value by acquiring projects with demonstrated potential in proximity to larger players such as Agnico Eagle Mines at Central Canada and now with Springpole West and First Mining.

With First Mining improving the local infrastructure in partnership with local First Nations communities and the Ontario Government, the Company identified the rising potential of the area that prompted Falcon to acquire this large package of gold and silver mining claims.

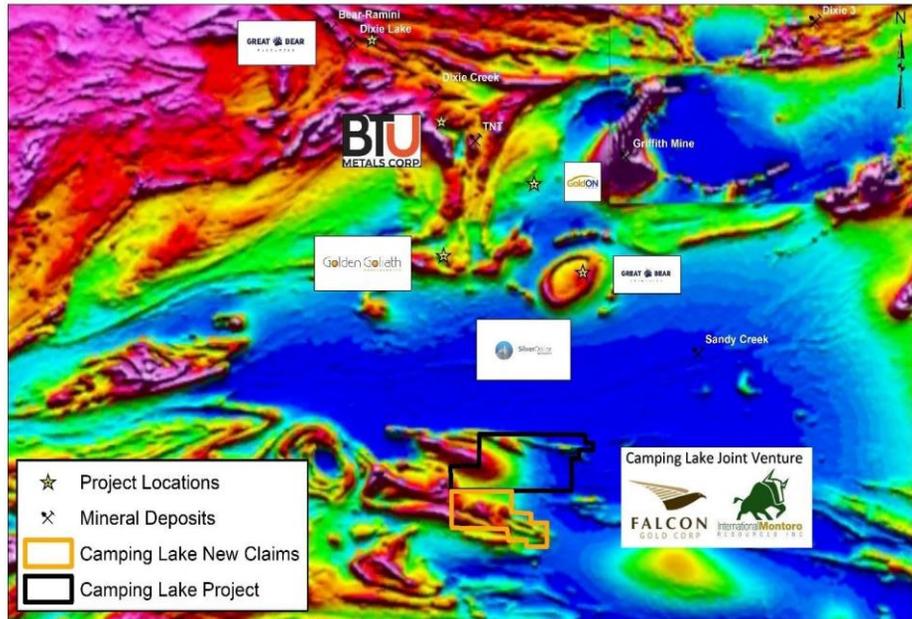
Other Projects

Brief summaries of FG's other four projects are presented below:

Red Lake is located 20 km south of Great Bear Resources' (TSXV: GBR) Dixie Lake project, which has had multiple high-grade discoveries in the past few years. **International Montoro / TSXV: IMT has an option to earn a 51% interest** by issuing 1.5 million shares (one million issued), assuming property payments totaling \$260k over four years, and completing \$300k in exploration (\$30k spent) over two years. IMT also has an option to acquire another 24% (for a total of 75%) for \$500k in cash. As shown in the image below, the property is located near the Birch-Uchi-Confederaton Lake greenstone belt, which hosts several well-known deposits.

Camping Lake

20 km from Great Bear Resources
Dixie Lake



Source: Falcon Gold

The Camping Lake property has been previously explored by Laurentian Goldfields, Kinross (TSX: K), and AngloGold (JSE: ANG). IMT has yet to announce their immediate plans for the project.

Falcon holds a 49% interest in the **Burton** gold property near Sudbury; IAMGOLD holds the remaining 51% interest. The project is 38 km northwest of IMG’s Cote Lake deposit, which has 4.7 Moz in reserves. A 2018 feasibility study on Cote Lake had returned an After Tax Net Present Value at 5% of US\$795 million, at US\$1,250 per oz gold. Historic drilling at Burton has returned high grade values, such as 9.34 g/t over 7.75m, and 12.5 g/t over 3.13m. Falcon has yet to announce their plans on the project as they are almost exclusively focused on Central Canada and the Spitfire and Sunny Boy claims in B.C.

JV with IAM Gold

Historic drilling
returned high
grade values

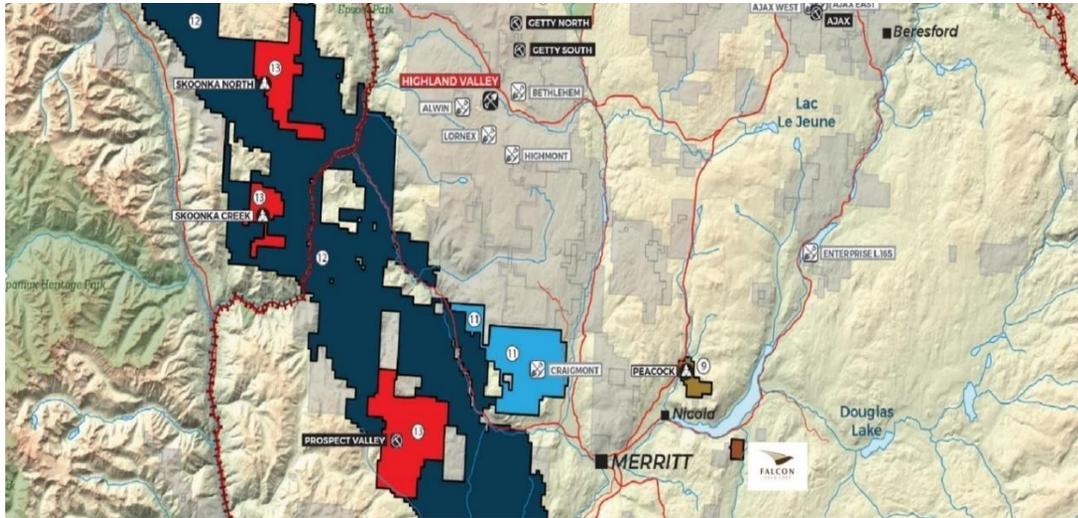


Source: Falcon Gold

Spitfire and Sunny Boy in claims in B.C.

The 502 ha **Spitfire and Sunny Boy claims in B.C.** (16km east of Merritt) have been identified to have gold mineralization along a past producing vein (named the master vein) for over a 300m strike, with high grade sample values between 0.33 to 2.74 oz/t Au.

Exceptional results along the Master Vein

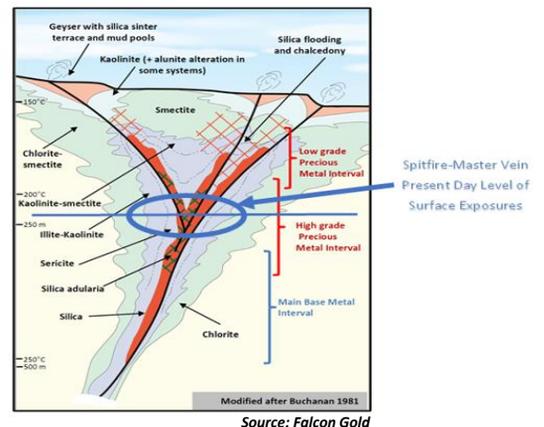


Source: Falcon Gold

Falcon’s Chief Executive Officer, Karim Rayani commented, “We are greatly excited to see the project grow from an underexplored volcanic terrain in which only high-grade gold was exploited at surface into a potential large scale precious and base metal bearing discovery. We believe the types and high grades of the Spitfire-Sunny Boy zones conform to a low sulphidation epithermal deposit model that could host world-class mining intercepts. We are taking the necessary steps to completely understand the area and our geological team has been working diligently to fully understand the discovery and provide reliable targets for drilling.”

Possibly 2 Flagship Properties

Many of Falcon’s current Investors see the Spitfire-Sunny Boy project as the Premiere project in the Company’s Portfolio



Spitfire Sunny Boy project is owned outright by Falcon

High-grade samples from Master Vein

A New Zone discovered yielding up to 22.8 g/t The Cliff Vein



Source: Falcon Gold

Historic drilling has returned 3.77 g/t gold, 0.24% copper, and 32.9 g/t silver over 13.4m. Recent sampling by FG returned a very high-grade value of **59.8 g/t Au over 2.2m**, including 122 g/t over 1m, from the master vein. This vein has returned up to 50.53 oz/t from historic sampling. Approximately 125m southeast along strike, another channel sample returned 11.4 g/t over 1m. Grab sampling on a new potential vein structure returned 22.8 g/t.

Table of selected assay results from the Spitfire & Sunny Boy Claims 2020 sampling program.

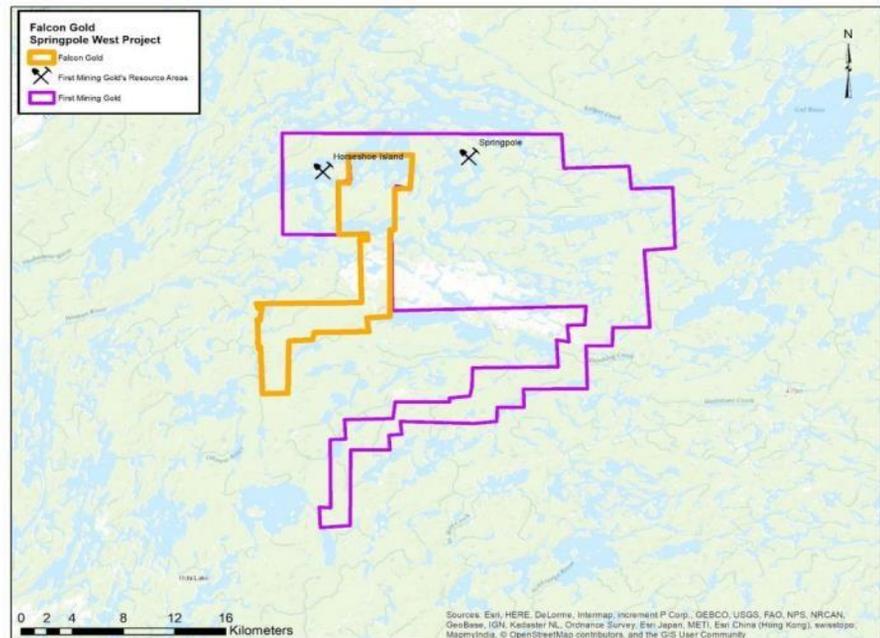
Station ID	Sample #	Sample Type	Width (m)	Assay (g/t Au)	Assay (oz/t Au)	Location
CH20-01-01	467712	Channel	1.0	122.00	3.56	Master Vein
CH20-01-02	467713	Channel	1.2	7.99	0.23	Quartz stringers
CH20-02-01	467714	Channel	1.0	11.40	0.33	Master Vein
Cliff Vein	467716	Grab	n/a	22.80	0.67	Cliff Vein

Source: Falcon Gold

The company has identified three targets for low-sulphidation epithermal gold mineralization. Falcon acquired a 100% interest in the project by issuing 2.5 million shares and 2.5 million warrants, and \$25k cash. The company is planning a property-wide systematic soil and rock sampling program, as well as ground and airborne geophysical surveys to **delineate drill targets**.

In August 2020, the company acquired the 4,400 ha **Springpole West property northeast of Red Lake**. It is close to First Mining Gold Corp.'s (TSX: FF)

Springpole gold deposit, which has a 4.7 Moz indicated resource. Historical drilling at Falcon's property has returned 19.40 g/t Au over 0.30m, and surface grab samples have returned 8.38% Zn, 16 g/t Ag and 0.05 g/t Au. Falcon is currently compiling historical data on the project.



Strategic land position between First Mining's potential mine sites

Management and Directors

Management and directors own 17% of the outstanding shares of Falcon. The CEO, Karim Rayani, holds 13%, and is the largest shareholder.

Share Ownership

Management and Directors	# of Shares	% of Total
Karim Rayani , CEO & Director	10,934,000	12.57%
James Farley, Independent Director	3,200,000	3.68%
John Bossio, Independent Director	241,000	0.28%
	14,375,000	16.52%

Source: Falcon Gold

CEO own's 18% of the shares, options and warrants

Brief biographies of the management team and board members, as provided by the company, follow:**Karim Rayani - CEO & Director**

For the past 15 years, Mr. Rayani has been focused on financing both domestic and international mineral exploration and development. Most recently, Mr. Rayani was head of Bloomberg Capital Group, a Vancouver based merchant bank and capital advisory firm. Prior to Bloomberg, he worked independently as a Management Consultant and Financier. He is currently Chair of R7 Capital Ventures Ltd; Director of Fiber Crowne Manufacturing Inc., Chair of District 1 Exploration Corp. Mr. Rayani has developed an extensive network of contracts throughout North America and Europe with a focus on Corporate Development and Finance.

Geoff Balderson - CFO & Director

Mr. Balderson has over 20 years of capital markets experience having worked in both public and private practice. Mr. Balderson is a senior officer and director of several TSX Venture listed companies and currently runs a private consulting practice Harmony Corporate Services Ltd., providing corporate advisory, accounting, filing and secretarial services to a multitude of publicly traded companies. Prior to his years in private business, Mr. Balderson was an investment advisor at Union Securities and Georgia Pacific Securities and is a University of British Columbia graduate in Marketing and Sales Management.

James Farley – Independent Director

Mr. Farley has been involved in the capital markets for over 25 years, initially as a financial advisor and subsequently as a private businessman. He is currently a business consultant for the mining and oil and gas industries, specializing in Health Safety and Environmental management.

John Bossio – Independent Director

Mr. Bossio is a registered psychologist, having received a master of arts in counselling psychology from City University, Bellevue, Wash., in 2002 and a bachelor of science in family studies from the University of Alberta, Edmonton, in 1991. He is a member of both the Psychologists Association of Alberta and College of Alberta Psychologists. He is an avid investor and experienced board member. He has a network of contacts specializing in small-cap, publicly traded companies.

Brief biographies of the advisory board team, as provided by the company, follow:

R. Stuart “Tookie” Angus

Corporate Advisor

Mr. Angus is an independent business adviser to the mining industry, and is presently chair of K92 and chair of San Marco Resources Inc. and Kenadyr Mining (Holdings) Corp. He is the former head of the global mining group for Fasken Martineau. For the past 40 years, Mr. Angus has focused on structuring and financing significant international exploration, development and mining ventures. More recently, he was managing director of mergers and acquisitions for Endeavour Financial and was responsible for merger and acquisition mandates. Mr. Angus is the former chairman of the board of BC Sugar Refinery Ltd. He was a director of First Quantum Minerals Ltd. until June, 2005, a director of Canico Resource Corp. until its takeover by Brazil’s CVRD in 2005, a director of Bema Gold Corp. until its takeover by Kinross Gold Corp. in 2007, a director of Ventana Gold Corp. until its takeover by AUX Canada Acquisition Inc. in 2011 and a director of Plutonic Power Corp. until its merger with Magma Energy Corp. in 2011. He resigned June 30, 2017, as chair of Nevsun Resources Ltd. following its acquisition of Reservoir Minerals in 2017.

*First class advisor
– Holds the respect
of the Mining
Industry*

Ian Graham

Geological Advisor

Mr. Graham is an accomplished mining executive with over 20 years of international experience exploring for and developing mineral deposits. He has spent over half of his career working for major mining companies, including roles at Rio Tinto and Anglo American. Mr. Graham possesses industrial minerals experience and is well known for his successes within the diamond sector.

From 1990-1994 Mr. Graham acted as Principal Geologist in exploration for Anglo American and partner in De Beers Group’s South Africa division. In 1994, he joined Rio Tinto in Canada as the evaluation manager for the Diavik diamond mine, then went on to become Chief Geologist for diamonds with Rio Tinto’s Project Generation Group. During his 15 years at Rio Tinto, Ian was involved with the evaluation and pre-development of several projects, including the Diavik diamond mine in the Northwest Territories and the Resolution copper deposit in Arizona. While at Rio Tinto he also oversaw permitting for the Eagle Nickel mine in Michigan and played a key role in developing the initial economic assessment for the Bunder Diamond Project in India.

Following his departure from Rio Tinto, Ian led the formation of a company with the intent of acquiring the Jadar lithium project in Serbia from Rio Tinto, though Rio Tinto did not proceed with the divestment. Mr. Graham also served as CEO from November 2015-February 2017, for United Energy Corp. (a Nevada lithium project).

Mr. Graham is a geologist with a B.Sc. in Geology and Applied Geology and a B.Sc. (Honors) in Geology from the University of Natal in South Africa.

*Difficult to find a
more complete
resume – Holds the
respect of the
Mining Industry*

Number of Warrants – As of September 30th 2020

Number of warrants	Exercise price per warrant	Expiry date
375,000	\$0.05	November 7, 2020
2,870,000	\$0.10	May 18, 2021
7,500,000	\$0.05	July 12, 2021
1,000,000	\$0.05	July 26, 2021
1,042,500	\$0.08	December 12, 2021
2,096,634	\$0.10	May 22, 2022
2,500,000	\$0.10	June 2, 2022
5,750,000	\$0.12	July 13, 2023
23,134,134		

Source: Falcon Gold FS

Can raise up to \$2.58 million from in-the-money options and warrants

Number of Options – As of September 30th 2020

Number of options	Exercise price per option	Expiry date
250,000	\$0.10	September 7, 2021
1,200,000	\$0.05	April 3, 2022
400,000	\$0.06	May 1, 2023
1,600,000	\$0.125	Jul 10, 2023
1,550,000	\$0.05	August 23, 2024
200,000	\$0.05	January 15, 2025
1,000,000	\$0.135	August 21, 2025
6,200,000		

Source: Falcon Gold FS

Stock Options and Warrants: Falcon has 6.20 million options (weighted average exercise price of \$0.08) and 23.13 million warrants (weighted average exercise price of \$0.09) outstanding. **All the options and warrants are in the money, implying the company can raise up to \$2.58 million if they are exercised.**

Valuation and Rating

Based on the historical resource of 230,000 ounces at Central Canada Gold Mine, FG's shares are trading at \$57 per ounce versus the comparables average of \$59 per ounce (100% of M&I + 50% of inferred), implying that shares are fully valued on a comparable basis.

Valuation and Rating

Company	EV / Resource
1 Pure Gold Mining Inc.	\$392.34
2 Osisko Mining	\$294.42
3 Victoria Gold Corp.	\$257.05
4 Marathon Gold Corp.	\$110.36
5 Sabina Gold	\$104.35
6 Probe Metals Inc.	\$74.93
7 Falcon Gold	\$57.00
8 Gowest Gold Ltd.	\$56.29
9 Bonterra Resources	\$49.98
10 Nighthawk Gold Corp.	\$46.92
11 Renforth Resources	\$45.75
12 Maple Gold Mines Ltd.	\$45.68
13 Moneta Porcupine Mines Inc.	\$44.60
14 Monarch Gold	\$38.73
15 Gatling Exploration	\$35.84
16 O3 Mining	\$28.67
Average (excl outliers) - Current	\$59.20

* Net Resource = 100% of Measured and Indicated + 50% of Inferred Resources

Source: FRC / S&P Capital IQ / Various Companies

Falcon rates very well in comparisons.
*Source FRC

Social Media Presence

	Excellent	Moderate	Poor
			
			
			
			

Currently taking strides to improve the online performance of Social media

Falcon has recently increased its focus into the world of social media under its new management. Increased communication with increased news flow is at the very core of this successful junior venture company.

Based on our review of the company's projects, we are initiating coverage on **FALCON GOLD CORP. (TSX.V:FG) with an **"A" Rating**, and a fair value estimate of **\$0.50 per share**. Our fair value is based on our own in house set of analytical tools.**

Our analysis should only be used to assist your information gathering.

We have identified the following key upcoming catalysts:

- Upcoming airborne geophysics survey and drilling at Central Canada.
- The commencement of the 2,000m Drill Program at Central Canada Gold Mine Property.
- Exploration at Spitfire and Sunny Boy.
- Initial work at Springpole West.
- Management is in the process of finding suitable JV partners for its projects.
- We also expect support from gold prices as our Q1-2021 forecast is US \$1,925 per oz versus the current US\$1,835.

Risks

The following risks, though not exhaustive, will cause our estimates to differ from actual results:

- The value of the company is dependent on commodity prices.
- None of the projects have a NI43-101 compliant resource estimate.
- Exploration and development risks.
- There is no guarantee that the company will find suitable partners for its non- core projects.

**Falcon Gold shares are at a Risk of 5
(Highly Speculative)**

What Our Stock Ratings Mean:

A (Excellent) - The stock has an excellent track record for maximizing performance while minimizing risk, thus delivering the best possible combination of total return on investment and reduced volatility. It has made the most of the recent economic environment to maximize risk-adjusted returns compared to other stocks. While past performance is just an indication -- not a guarantee -- we believe this fund is among the most likely to deliver superior performance relative to risk in the future as well.

B (Good) - The stock has a good track record for balancing performance with risk. Compared to other stocks, it has achieved above-average returns given the level of risk in its underlying investments. While the risk-adjusted performance of any stock is subject to change, we believe that this fund has proven to be a good investment in the recent past.

C (Fair) - In the trade-off between performance and risk, the stock has a track record which is about average. It is neither significantly better nor significantly worse than most other stocks. With some funds in this category, the total return may be better than average, but this can be misleading since the higher return was achieved with higher-than-average risk. With other funds, the risk may be lower than average, but the returns are also lower. In short, based on recent history, there is no particular advantage to investing in this fund.

D (Weak) - The stock has underperformed the universe of other funds given the level of risk in its underlying investments, resulting in a weak risk-adjusted performance. Thus, its investment strategy and/or management has not been attuned to capitalize on the recent economic environment. While the risk-adjusted performance of any stock is subject to change, we believe that this fund has proven to be a bad investment over the recent past.

E (Very Weak) - The stock has significantly underperformed most other funds given the level of risk in its underlying investments, resulting in a very weak risk-adjusted performance. Thus, its investment strategy and/or management has done just the opposite of what was needed to maximize returns in the recent economic environment. While the risk-adjusted performance of any stock is subject to change, we believe this fund has proven to be a very bad investment in the recent past.

+ (Plus Sign) - An indication that the fund is in the top third of its letter grade.

- (Minus Sign) - An indication that the fund is in the bottom third of its letter grade.

U (Unrated) - The stock is unrated because it is too new to make a reliable assessment of its risk-adjusted performance. Typically, a fund must be established for at least three years before it is eligible to receive a TheStreet Investment Rating.

CEOdigest Risk Rating Scale:

- 1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.
- 2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.
- 3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.
- 4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.
- 5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues and may rely on external funding. These stocks are considered highly speculative.

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