

Falcon Minerals Ltd

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Company Announcement

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EXPLORATION UPDATE FOR COLLURABBIE PROJECT, WESTERN AUSTRALIA (Falcon 100%)

During September/October 2010 Falcon completed a further 6 diamond drill holes for a total of 1356.9m at its wholly-owned Collurabbie nickel-copper-PGE Project in the Duketon greenstone belt of Western Australia. Down-hole electro-magnetic surveying was also carried out on 5 of the drill holes to test for significant conductors possibly associated with massive nickel sulphides.

The company is pleased to announce that it has intersected further massive Ni-Cu-PGE sulphides in drill hole CLD208 which was drilled to test the continuity of mineralisation to the south of the main mineralised ore horizon at Olympia (Figure 1). Better down-hole assay results from CLD208 include:

- **2m @ 0.96% Ni, 1.25% Cu and 3.49g/t PGE (Pt+Pd) from 143m.**
- **6.79m @ 0.34% Ni, 0.24% Cu and 0.51g/t PGE (Pt+Pd) from 163.9m.**

Importantly, the strongly faulted zone of massive to brecciated Ni-Cu-PGE sulphide in CLD208 is interpreted to sit in a hanging-wall position above the main mineralised horizon (Figure 1). The down-hole EM survey also indicated a reasonably large off-hole conductor down-dip from CLD208 in the vicinity of the interpreted ore horizon (Figure 2). In conclusion, the southern extension at Olympia remains to be fully tested by drilling. It is of note that previous mineralised drill holes CLD137 and CLD125 also intersected massive sulphides above the main zone and augers well for the discovery of further massive sulphide mineralisation south of 7025900N.

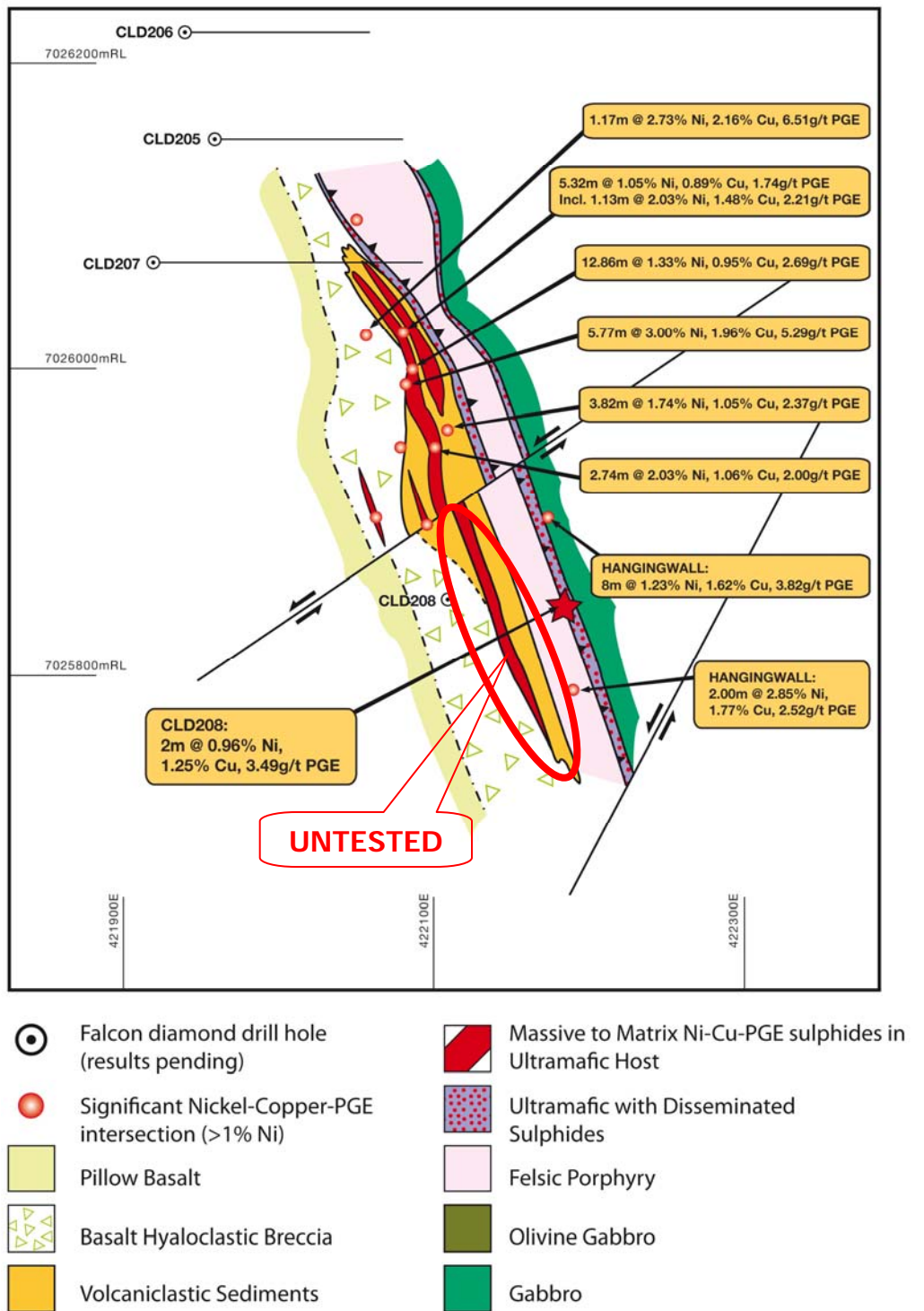


Figure 1 – Olympia Prospect geological interpretation (at 300m RL) showing drill result to date and location of recent Ni-Cu-PGE intersection in CLD208.

Drill hole CLD207 was drilled to test the interpreted down-plunge extent of the Olympia massive sulphide zone and reached a target depth of 318m. No massive sulphides were intersected however the down-hole EM survey identified two large conductive sources immediately off-hole and to the south of CLD207 (Figure 2). The attitude of both conductors suggests a steeply dipping zone through the main

nickel sulphide body and continues beneath discovery hole CLD159 (5.77m @ 3.00% Ni, 1.86% Cu, 5.29g/t PGE). This zone may represent a feeder zone to the main mineralised vent and consequently may have significant potential to host further high-grade Ni-Cu-PGE sulphide mineralisation. Further 3D EM modelling work is being done to validate this target.

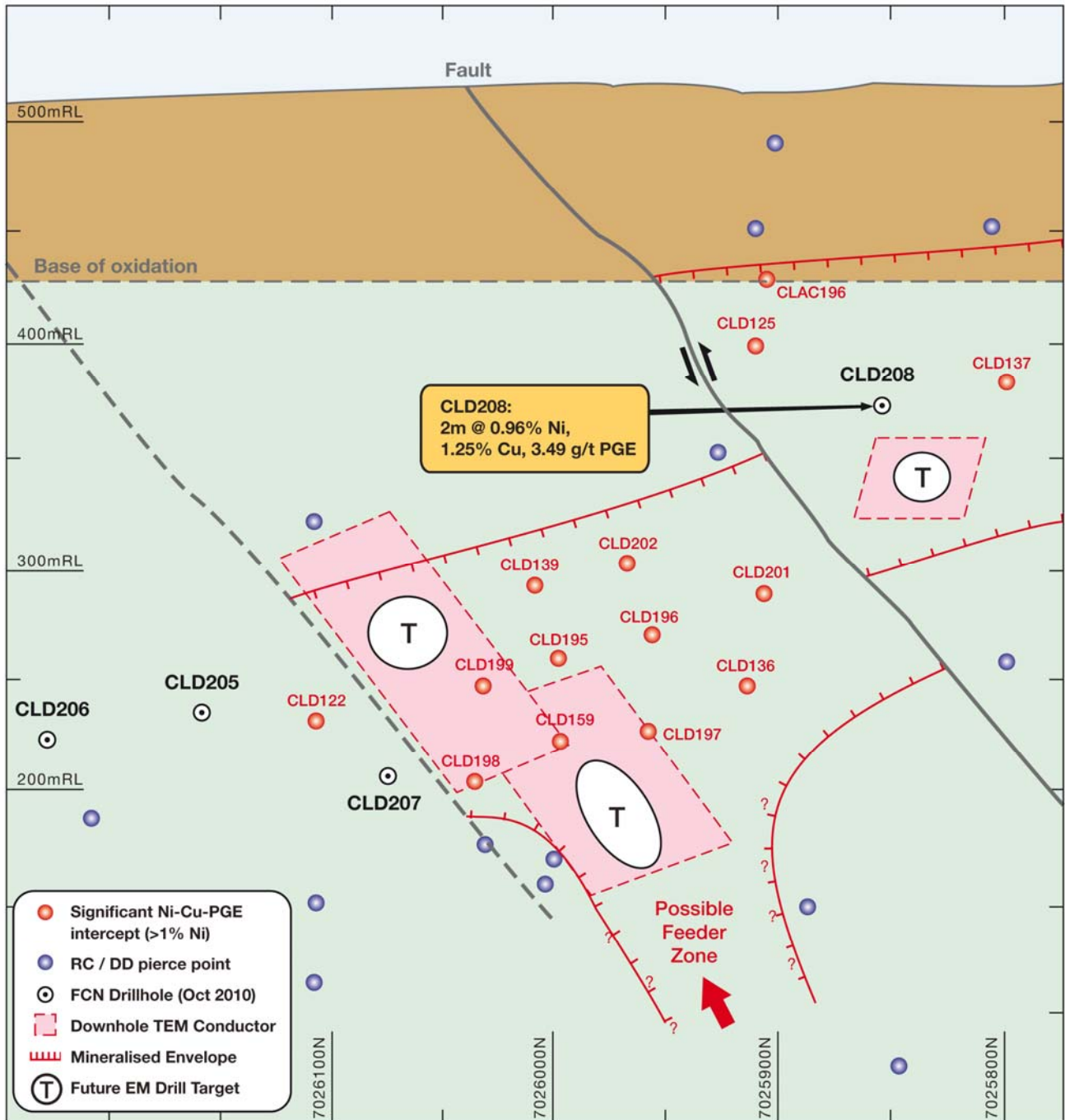


Figure 2 – Olympia Prospect longitudinal section (looking to the east) showing recent down-hole conductors from CLD207 and CLD208 within interpreted mineralised envelopes. See Table 1 for drillhole results.

Table 1 – Drilling results from the Olympia Prospect to date.

<i>Hole ID</i>	<i>North</i>	<i>East</i>	<i>From</i>	<i>To</i>	<i>Width</i> <i>(m)</i>	<i>True Width (m)</i>	<i>Ni%</i>	<i>Cu%</i>	<i>Total PGE (g/t)</i>	<i>Ni Eq (%)</i>
CLD198	7026040	421920	277.3	278.47	1.17	0.88	2.73	2.16	6.51	4.32
CLD199	7026040	421960	226.27	231.59	5.32	3.99	1.05	0.89	1.74	1.58
CLD139	7026000	422019	131.64	144.5	12.86	9.65	1.33	0.95	2.69	2.01
CLD159	7026000	421946	279.43	285.2	5.77	4.33	3.00	1.96	5.29	4.36
CLD196	7025960	421990	218.16	220.9	2.74	2.06	2.03	1.06	2.00	2.65
CLD197	7025960	421950	268.27	269.69	1.42	1.07	1.13	0.73	1.34	1.55
CLD202	7025960	422030	153.88	157.7	3.82	2.87	1.74	1.05	2.37	2.41
CLD125	7025902	422141	64	72	8.00	6.00	1.23	1.62	3.82	2.28
CLD136	7025899	421999	176	177.9	1.90	1.43	3.64	2.77	6.95	5.49
		and	184.9	186	1.10	0.85	3.67	3.12	7.78	5.75
CLD201	7025900	422010	163.75	167.49	3.74	2.81	1.47	1.59	4.43	2.59
		including	163.75	165.17	1.42	1.07	2.72	2.13	7.49	4.43
CLD137	7025799	422120	136	138	2.00	1.50	2.85	1.77	2.52	3.78

A further two drill holes, CLD205 and CLD206 were drilled to test for nickel sulphides associated with two large EM conductors to the north of the Olympia Prospect. Both holes intersected barren volcanic-hosted massive sulphides (VMS) related to seafloor exhalative processes. It is now recognised that these VMS most likely provided the sulphur necessary for the formation of nickel sulphides and provide a valuable vector to additional ore-forming environments.

Two step-out drill holes, CLD209 and CLD210, were drilled at the Argus Prospect to the north of Olympia where previous drill hole CLD12 intersected 4m @ 1.00% Ni, 0.55% Cu and 0.97g/t PGE from 82m. CLD209 intersected a thick ultramafic body with disseminated nickel-copper sulphides and the down-hole EM survey detected a several off-hole conductors to the north and down-dip from CLD209 that warrant further investigation.

CLD210 was drilled almost entirely in felsic porphyry and therefore did not test the interpreted ore horizon.

The drilling completed by Falcon in 2010 has shed significant light on the controls on Ni-Cu-PGE sulphide mineralisation at the Collurabbie Project. A robust exploration model has been developed and is being used to identify volcanic vent zones with VMS development and coincident Ni-Cu-PGE mineralisation in drilling or surface geochemistry (Figure 3). At least 6 prospects have been highlighted and will be the subject of vigorous drill testing commencing in early 2011.

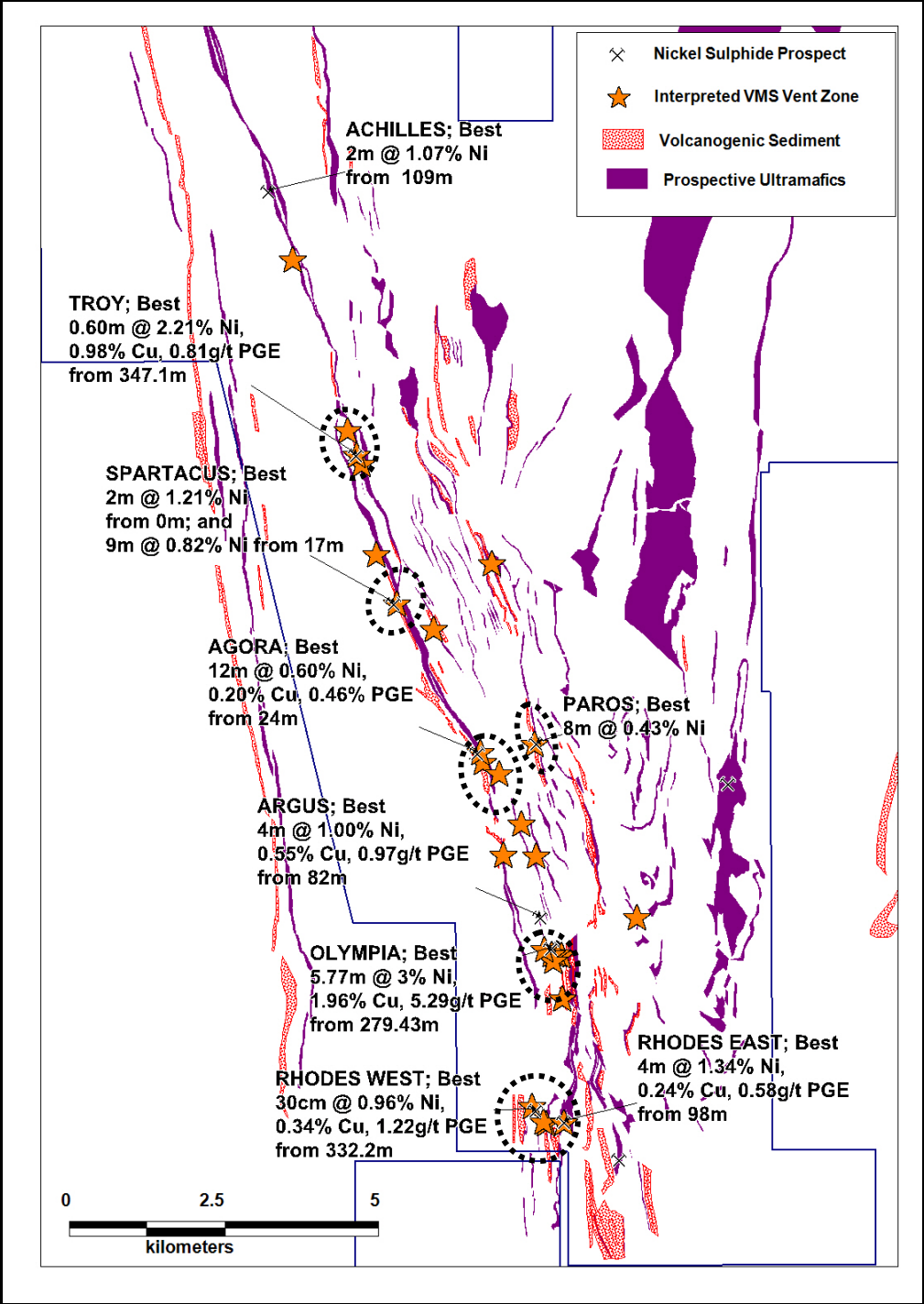



Figure 3 – Collurabbie Belt showing interpreted VMS vent zones and coincident nickel-copper-PGE in drilling.

The information in this report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Graeme Cameron, Technical Director for Falcon Minerals Ltd. Mr Cameron is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience, which is relevant to the style of Mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a competent person, as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Cameron consents to the inclusion in the report of the matters based on his information, in the form and context in which it appears.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Richard Diermajer', with a large, sweeping flourish extending to the right.

Richard Diermajer
Managing Director

For further details contact:

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