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Company Announcement

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GEOCHEMISTRY DEFINES NEW TARGETS AT SPARTACUS PROSPECT, COLLURABBIE, WESTERN AUSTRALIA (Falcon 100%)

Falcon is pleased to announce that recent detailed geochemical sampling conducted in December 2010 has defined at least four high-calibre poly-metallic drill targets at the **Spartacus Prospect**, 6 kilometres along strike north from the Olympia mineralised zone, at Collurabbie Western Australia.

A total of 604 infill soil samples were taken on a detailed 50m x 25m grid to test a highly prospective ultramafic horizon over a strikelength of 2km with known disseminated nickel-copper-PGE sulphides intersected in previous broad-spaced drilling. The soil geochemistry indicates several areas of highly-anomalous, coincident nickel-copper-PGEs with maximum nickel result of 1170ppb Ni (Figure 1). This type of sampling has not previously been tried at Collurabbie and potentially provides a stepwise improvement in the detection of “in situ” nickel sulphides in the project area.

Importantly, each target also shows strong evidence for anomalous base metal (Cu-Zn) concentrations that may reflect a nearby volcanogenic exhalative environment and a source of sulphur amenable for massive nickel sulphide deposition.

Re-processing of ground and drill hole electro-magnetic data has also shown that several strong untested conductors are clearly associated with areas of anomalous geochemistry and consequently provide a 3D focus for well-targeted drilling (Figure 1).

On the back of these results, drill hole planning and permitting is underway and an aggressive drilling campaign is scheduled to commence in February 2011. In conclusion, it is felt that the **Spartacus Prospect has excellent potential to host several zones of massive nickel-copper-PGE sulphide** and significantly contribute to a resource base at Collurabbie.

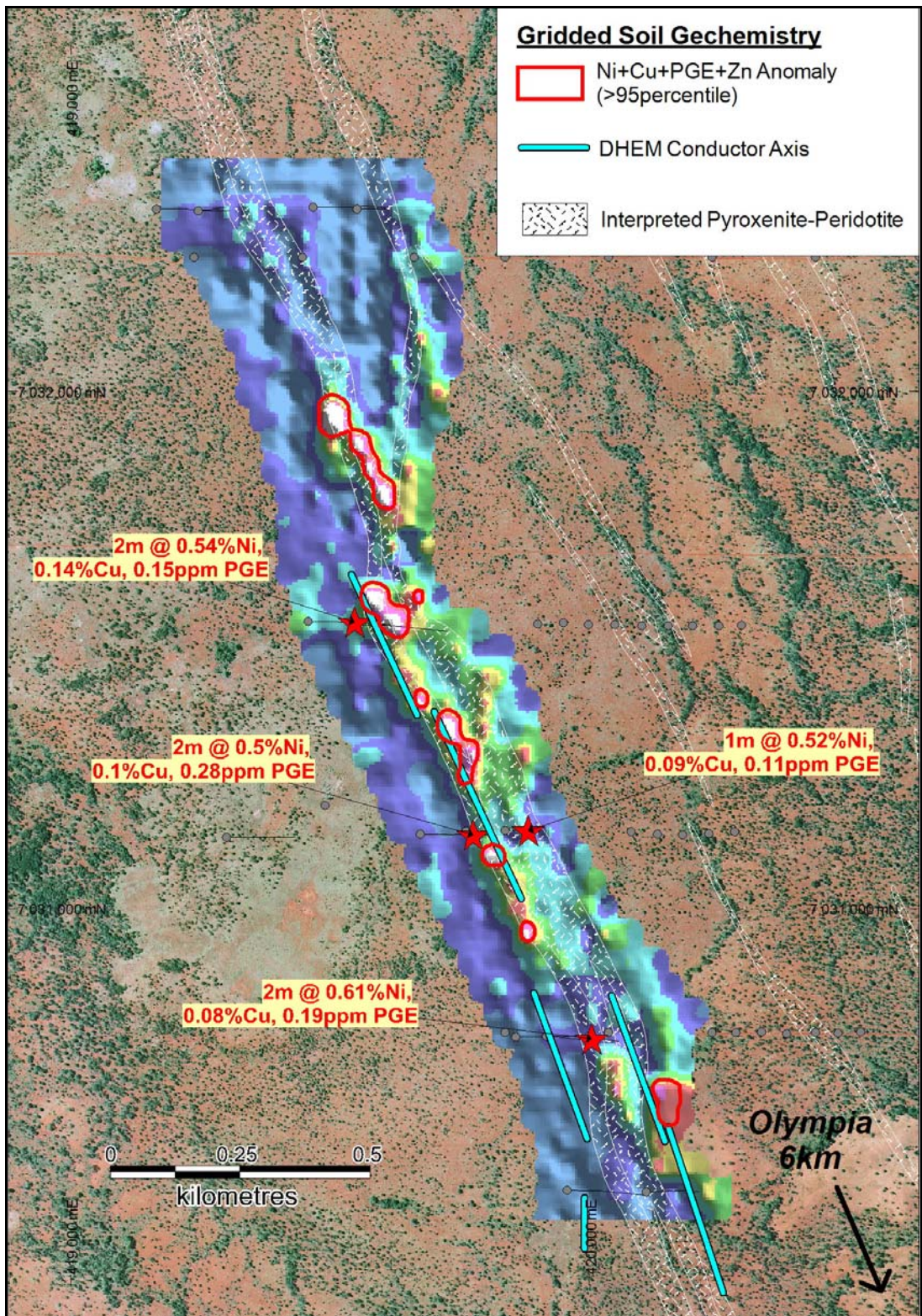


Figure 1 – Spartacus Prospect. Interpreted ultramafics and previous drilling results on gridded Ni+Cu+PGE+Zn soil geochemistry image.

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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