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Company Announcement

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DIAMOND DRILLING EXTENDS MASSIVE NICKEL-COPPER-PGE SULPHIDE MINERALISATION AT OLYMPIA

Falcon is pleased to announce that assay results are now at hand for a nine-hole (3014m) diamond drill programme recently completed at its wholly-owned Collurabbie Project in the Duketon greenstone belt of Western Australia.

OLYMPIA

Further massive nickel-copper-PGE sulphides were intersected in two holes, CLD211 and CLD213, drilled to test for southern and northern extensions to the main **Olympia** mineralised zone, respectively. Better results include:

CLD211 (7025800N, 422070E):

- **3.75m @ 2.21% Ni, 1.82% Cu and 3.53g/t PGE (Pt+Pd) from 189.75m associated with massive to matrix sulphides (Figure 1),**
- 5.05m @ 0.51% Ni, 0.37% Cu and 0.54g/t PGE (Pt+Pd) from 232.95m associated with disseminated sulphides.

The intersection in CLD211 is significant in that it confirms the continuity of the main massive nickel-copper-PGE zone over a strike length of at least 100m to the south of the previously drill-tested mineralised zone. A moderately conductive off-hole conductor was detected in the down-hole electromagnetic (EM) survey and appears to be coincident with the mineralised horizon (Figure 2). The mineralisation remains open to the south (Figure 3).

CLD213 (7026200N, 421850E):

- 0.45m @ 0.94% Ni, 0.66% Cu and 1.89g/t PGE (Pt+Pd) from 319.95m associated with massive stringer sulphides in fractured footwall basalt,
- 0.60m @ 0.55% Ni, 0.15% Cu and 0.24g/t PGE (Pt+Pd) from 383.05m associated with massive exhalative sulphides at a basal ultramafic contact.

The intersections from CLD213 indicate that massive nickel-copper-PGE sulphides are still evident some 100m north along strike from the main zone at Olympia. In particular, massive nickel sulphides intersected in fractured footwall basalt in CLD213 are interpreted to be locally-derived and may immediately underlie a significant massive nickel sulphide horizon. This position remains to be drill tested.

Downhole EM data collected during the recent drilling campaign has confirmed that very strong off- and in-hole conductors (15,000S to 25,000S) are associated with the intersections in CLD213. 3D plates have been modelled and will be used to vector towards possible massive nickel sulphide mineralisation (Figure 2).



Figure 1 – Photo of massive sulphide intercept in CLD211

In addition, several intervals of sphalerite (zinc sulphide) quartz veining were intersected by the recent drilling within the main mineralised environment at Olympia. Better results include:

- CLD211 – 2.20m @ 2.44% Zn from 193.80m
- CLD212 – 4.45m @ 0.67% Zn from 331.75m

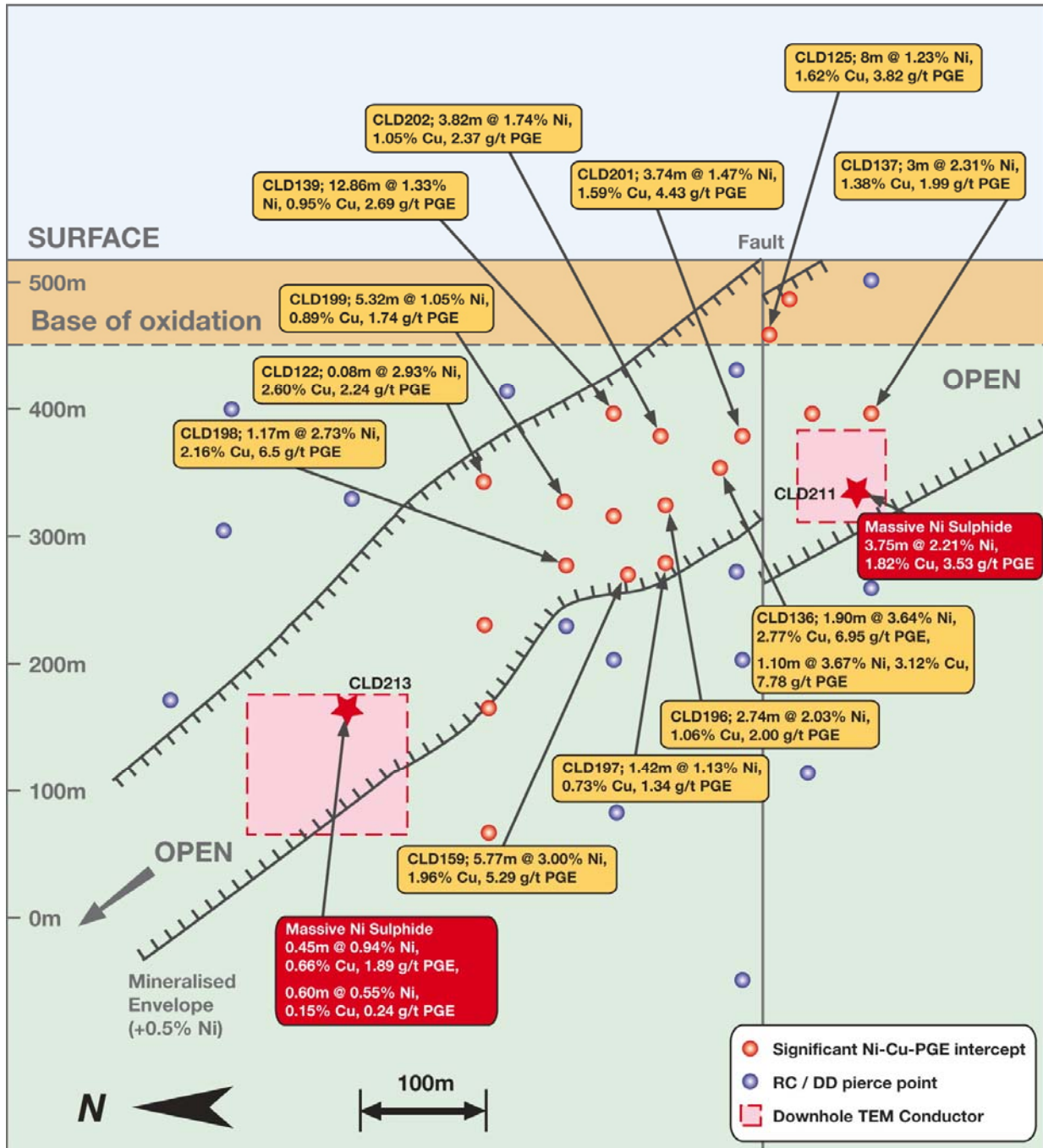
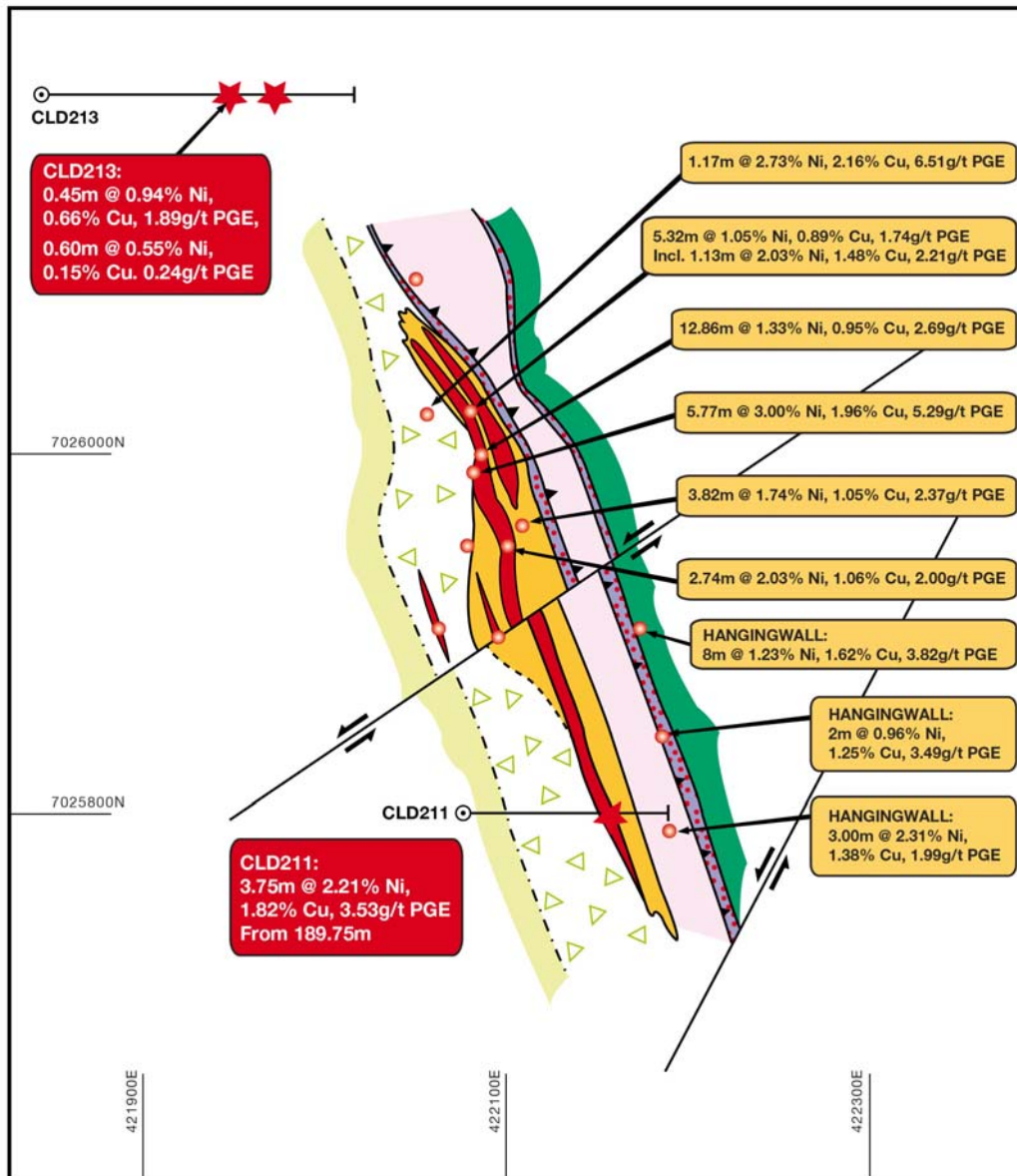


Figure 2 – Long section through the Olympia prospect showing recent massive Ni-Cu-PGE sulphide intercepts in CLD211 and CLD213.



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|--|---|--|--|
| | Massive Ni-Cu-PGE sulphide in Falcon diamond drill hole | | Massive to Matrix Ni-Cu-PGE sulphides in Ultramafic Host |
| | Significant Nickel-Copper-PGE intersection (>1% Ni) | | Ultramafic with Disseminated Sulphides |
| | Pillow Basalt | | Felsic Porphyry |
| | Basalt Hyaloclastic Breccia | | Olivine Gabbro |
| | Volcaniclastic Sediments | | Gabbro |

Figure 3 – Interpreted geology of Olympia Prospect showing recent massive Ni-Cu-PGE sulphide intercepts in CLD211 and CLD213.

SPARTACUS

Widespread disseminated nickel-copper-PGE sulphides were intersected in four drill holes at the **Spartacus Prospect** located 4 km to the north of Olympia. Six broadly-spaced holes were drilled for a total of 1923m to test targets associated with thicker portions of the Beta ultramafic horizon and with a strong surface geochemical response over a mineralised strike length of more than 2km. Better results from north to south are shown in Figure 4 and include:

- CLD219 (419550E, 7031350N) - 20.25m @ 0.38% Ni, 0.10% Cu, 0.13g/t PGE (Pt+Pd) from 188.75m,
- CLD218 (419770E, 7030950N) – 5.20m @ 0.43% Ni, 0.20% Cu, 0.33g/t PGE (Pt+Pd) from 190.8m,
- CLD217 (419760E, 7030600N) – 12.25m @ 0.43% Ni, 0.13% Cu, 0.23g/t PGE (Pt+Pd) from 233.4m,
- CLD215 (419990E, 7030150N) – 8.4m @ 0.36% Ni, 0.14% Cu, 0.25g/t PGE (Pt+Pd) from 215.6m.

Further work will be conducted to examine the potential for a large, bulk tonnage low-grade Ni-Cu-PGE deposit at the Spartacus Prospect, and will include the Troy Prospect immediately to the north, where broadly disseminated zones were previously intersected including 20m @ 0.68% Ni, 0.28% Cu, and 0.62g/t PGE from 145m in CLD040, as well as matrix sulphide along the basal contact (e.g. 0.6m @ 2.21% Ni, 0.98% Cu and 0.81g/t PGE from 347.10m in CLD053).

It is pertinent to note that a broad chalcopyrite-rich, exhalative sulphide horizon was intersected by CLD216 immediately to the east of the Beta ultramafic horizon and is regarded to have good potential to host further Olympia-style massive nickel-copper sulphides. This area is largely untested and will be the target of further drill testing later in 2011 (Figure 4)

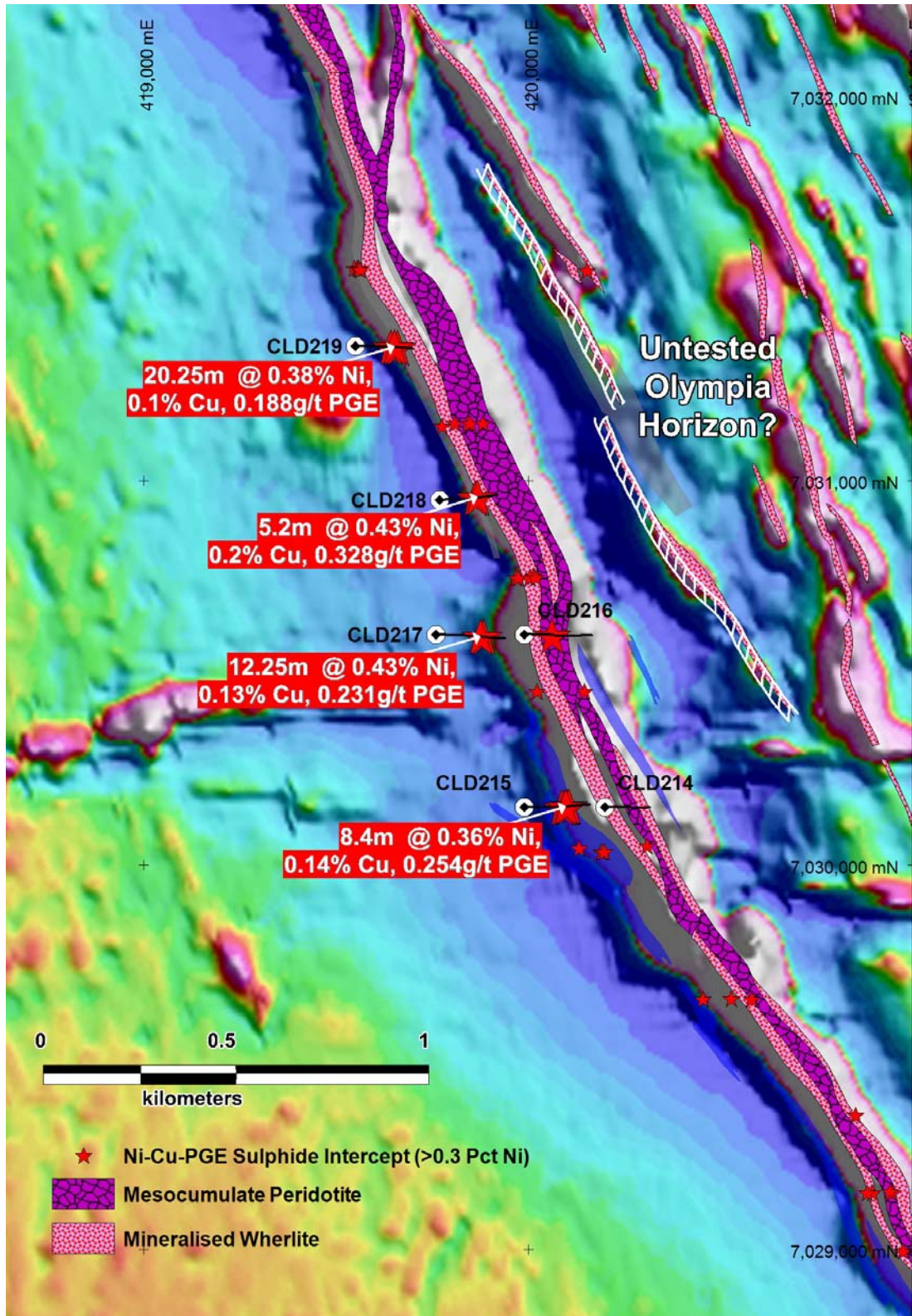


Figure 4 – Aeromagnetics and geology of the Spartacus Prospect showing widespread disseminated Ni-Cu-PGE results in recent diamond drillholes. The Olympia stratigraphic position remains untested to the east of the recent drilling.

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

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