

28 March 2012

ASX Announcement



Falcon Awarded Queensland Government Drilling Grant

Australian gold and base-metal explorer, Falcon Minerals Limited (ASX: FCN) is pleased to announce it has been awarded a drilling grant by the Queensland State Government as part of the **Greenfields 2020 Collaborative Drilling Initiative (CDI)**.

Falcon has been awarded a maximum of **\$72,000** or half of the actual direct drilling costs; whichever is less, towards the drilling of a single deep hole into the high-grade Lucky Squid gold discovery located about 150km north-northeast of Cloncurry, Queensland. The CDI hole will be drilled to 800m depth and is planned to test the southern extension of the interpreted mineralised zone.



Falcon Mineral’s Managing Director, Mr Ron Smit, said; “The contribution and support from the Queensland State Government is greatly appreciated as mineral exploration beneath thick cover is challenging and expensive. I expect that the drilling of this hole will begin in early May and the information gained will lead to a better understanding of the extent and geometry of the Lucky Squid gold mineralisation.”

The CDI provides funding assistance to drill test innovative exploration concepts that have the potential to increase exploration investment in Queensland including expanding exploration into under-explored areas. The grants were awarded by an independent panel on the basis of demonstrable economic and technical merit.

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About Falcon:

Falcon is a gold and base-metal explorer.

The Company has two key projects in Australia with the prospectivity to deliver an important discovery. Collurabbie is an advanced nickel-copper-PGE project in Western Australia and Lucky Squid is a lightly explored high-grade gold prospect in Queensland.

The Collurabbie Project covers a fertile nickel belt that contains the Olympia massive sulphide prospect and several lower-grade disseminated sulphide prospects. At Olympia, massive and matrix Ni-Cu-PGE sulphide mineralization up to 9m thick has been detected over a 300m strike length. The Olympia deposit is small and is currently regarded as sub-economic; however further study and drilling success may significantly improve its economics. There remains considerable potential for additional discoveries in the district.

The Lucky Squid gold discovery was made in 2008 where drill hole SXD005 intersected 17m at 6.75g/t Au from 631m. A follow-up hole in 2010 confirmed the importance of the gold discovery and intersected 15m at 9.09 g/t Au from 701m. Spatially the two gold intersections are about 180m apart and the gold mineralization is open in all directions. A follow-up drill program will commence in May 2012.

Competent Persons Statement

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 Ronald Smit, Managing Director for Falcon Minerals Limited. Mr Smit 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 Smit consents to the inclusion in the report of the matters based on his information, in the form and context in which it appears.