

28 June 2012

ASX Announcement



LUCKY SQUID GOLD PROSPECT - Diamond Drilling UPDATE #3

- Multiple broad zones of pyrite mineralisation intersected in SXDD018;
- Strike length of “pyrite mineralised zone” extended south a further 80m.

SXDD018, the third hole in the diamond drilling program was finished on the 22nd June. The hole was drilled to a depth of 786.7m and was successful in demonstrating the continuity of a major structure and alteration zone to the south of the original discovery holes. The alteration zones are variably enriched in pyrite.

The depth to basement down-hole is 440m. In very general terms the hole intersected a meta-mafic rock (gabbroic?), followed by a meta-sedimentary rock and terminated in a porphyritic meta-graondiorite. A major fault system is developed within the meta-sedimentary rocks located between the mafic and felsic rocks. Albite-potassic-quartz alteration is widespread and overprinted by chlorite-graphite-pyrite alteration. This later phase of alteration may host gold mineralisation.

This hole, like SXDD016 and SXDD017 steepened in the pre-collar and had to be

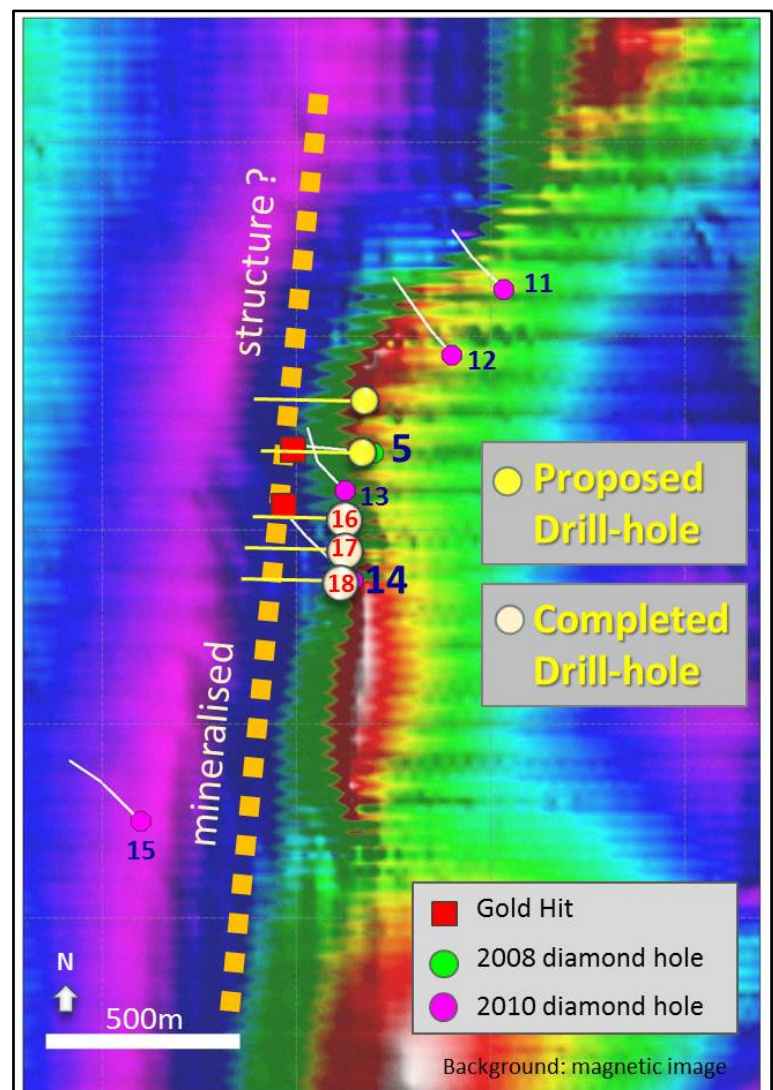
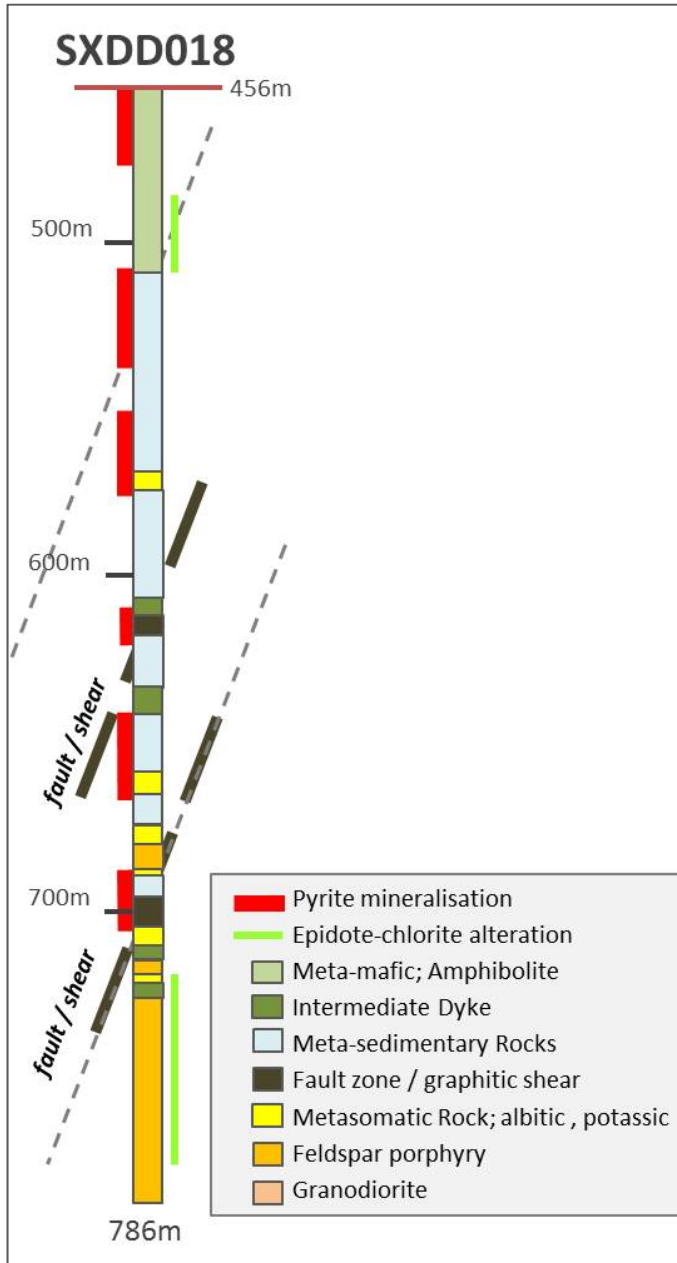


Figure 1: Location of diamond drill holes

Figure 2: SXDD018 geological strip log



drilled much deeper than anticipated. SXDD018 was located approximately 80m south of SXDD017 (Figure 1) and has extended the zone of pyrite mineralisation.

Like SXDD017, SXDD018 contains several zones of pyrite mineralisation (Figure 2). It is not known if these are gold-bearing. The fault zone / alteration zone is interpreted to be sub-vertical.

This hole was part funded by the Queensland State Government as part of the Greenfields 2020 Collaborative Drilling Initiative.

The fourth and last hole, SXDD019 in the current drill program is underway with the objective to test the northern projection of the interpreted mineralising structure.

Further drilling updates will be provided at the completion of each hole.

Diamond drilling collar details (projection GDA94 MGA Zone 54)

Hole_ID	Easting	Northing	RL	Azimuth	Dip	Total_Depth
SXDD016	488168	7866030	60	263	-70	855.7m
SXDD017	488165	7865950	60	265	-65	843.8m
SXDD018	488149	7865870	63	265	-65	786.7m

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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.

About LUCKY SQUID:

The Lucky Squid Gold Prospect is a lightly explored high-grade gold prospect located about 150km north-northeast of Cloncurry, Queensland and is part of the company's Saxby Project. It is a challenging prospect as the gold mineralisation is concealed by 420m of barren cover rocks.

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. Falcon has five to six deep diamond holes planned for the current drill campaign.

