

19 December 2012

ASX Announcement



Peak-Denison Project

Falcon grants Monax Alliance an exclusive Option to buy Project

Falcon Minerals Limited (ASX code: FCN) is pleased to announce that it has granted Monax Alliance Pty Ltd (Monax Alliance) an option to purchase Falcon's interest in the Peak-Denison Project. Monax Alliance is a wholly owned subsidiary of Monax Mining Limited (ASX code: MOX).

The Peak-Denison Project is located on the western margin of Lake Eyre in northern South Australia. It consists of two granted tenements EL4350 and EL4536 owned 100% by Falcon. These tenements are prospective for iron-oxide copper gold mineralisation (IOCG). Previous mineral explorers have completed geophysical surveys and tested some IOCG targets with reverse circulation and diamond drilling. The best copper intersection was reported from a deep diamond hole at the Davenport Creek Prospect that intersected 3m at 2.75% Cu from 330m as well as a broader zone of elevated copper at the bottom of the hole (13m at 0.07% Cu from 391m).

Monax Alliance initial exploration on the project will involve a gravity survey. If this work defines a suitable target it would then proceed to undertake diamond drill testing.

The terms of the Agreement are as follows:

Monax Alliance will pay Falcon US\$25,000 for the sole and exclusive option to purchase Falcon's Peak-Denison Project;

Monax Alliance may exercise the option by paying each of the following amounts to Falcon.

On the First anniversary of Agreement the sum of US\$50,000;

On the Second anniversary of Agreement the sum of US\$75,000; and

On the Third anniversary of Agreement the sum of US\$250,000.

In addition to the above, if Monax Alliance makes a discovery on the Peak-Denison Project and there is a Decision to Mine (whether before or after the Option is exercised) it will pay Falcon a further US\$10 million.

Managing Director, Mr Ron Smit said today, "This is a good outcome for Falcon as the project was considered non-core. By introducing Monax Alliance to the project with their local expertise and knowledge of IOCG systems in the Gawler Craton it will give the project the best possible chance of success".

For further information please contact:

A handwritten signature in black ink, appearing to read 'Ron Smit', with a stylized flourish at the end.

Ron Smit
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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.