



Quarterly Report

For the three months ending 31 March 2013

ASX Release: 24 April 2013

Summary & Highlights for the Quarter

- the Company continued to review joint venture / acquisition opportunities as well as maintain its greenfields project generation strategy;
- the Company continued to seek joint venture partner for its Saxby Project and also resolved to seek out a joint partner for its Collurabbie Project;
- the Company has initiated measures to reduce its cash burn rate given the poor market conditions;
- Cash balance at end of quarter of \$1.4M

Falcon Minerals Limited

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ACN: 009 256 535

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Capital Structure

163.6 million shares
4.0 million unlisted options (\$0.2/0.4)

Cash at Bank - \$1.4M

Board Members

Richard Diermayer - Chairman
Ron Smit - Managing Director
Ray Muskett - Non-Executive Director

Key Projects

Collurabbie Ni-Cu-PGE (100%)
Massive Ni-Cu-PGE sulphides at the Olympia Prospect. Significant potential remains for additional discoveries.
Seeking JV partner

Saxby Au (100%)

IOCG system – looking to divest
High-grade gold intercepts:
SXDD005: 17m at 6.8g/t Au from 631m
SXDD014: 15m at 9.1g/t Au from 701m
Seeking JV partner



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Mineral Exploration Activities

The focus of the March quarter has been the preservation of the Company's cash reserves given the current tough equity markets for the junior mineral exploration sector. This has resulted in the Company further reducing and consolidating its tenement portfolio down to those areas considered the most prospective.

The Company has also resolved to divest the Saxby and Collurabbie Projects and is actively seeking out joint venture partners. Both projects are in mineralised terranes and offer an opportunity for an incoming party to apply new ideas and a fresh approach to the technical challenges.

In contrast to the above the Company is actively seeking out additional projects which are semi-advanced (i.e. targets are ready for drill testing) and provide a more immediate opportunity for success. The commodity focus is gold, copper and/or nickel with a global reach.

The Company also continues to undertake grass-roots project generation within Australia. This is a low-cost longer term strategy to position the Company into highly prospective geological terranes.

The Company's cash reserves are healthy and the Board is committed to retaining maximum funds so that it can return to aggressive exploration when the right opportunity is identified.

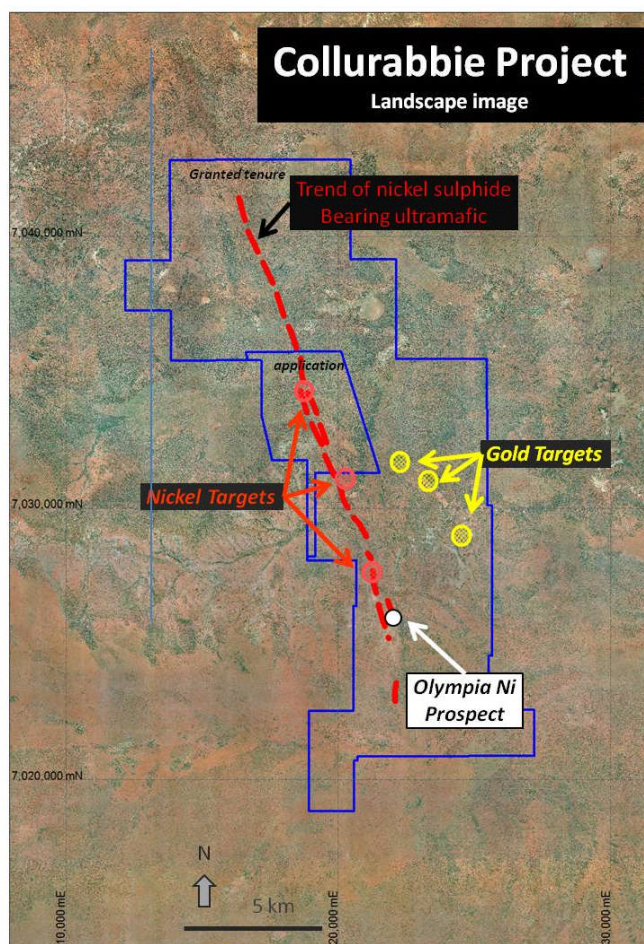
Collurabbie Project - Duketon Belt, Yilgarn Block WA

Nickel-copper-PGE search & Gold search
(Falcon 100%)

The Collurabbie Project is 200 km north of Laverton in the Duketon Greenstone Belt of Western Australia. No field-work was undertaken this quarter.

Over the last 12-18 months the Company has reviewed the nickel and gold potential and this has resulted in a number of targets being identified which have been discussed in earlier quarterly reports.

The Company is preparing a divestment Information Memorandum.



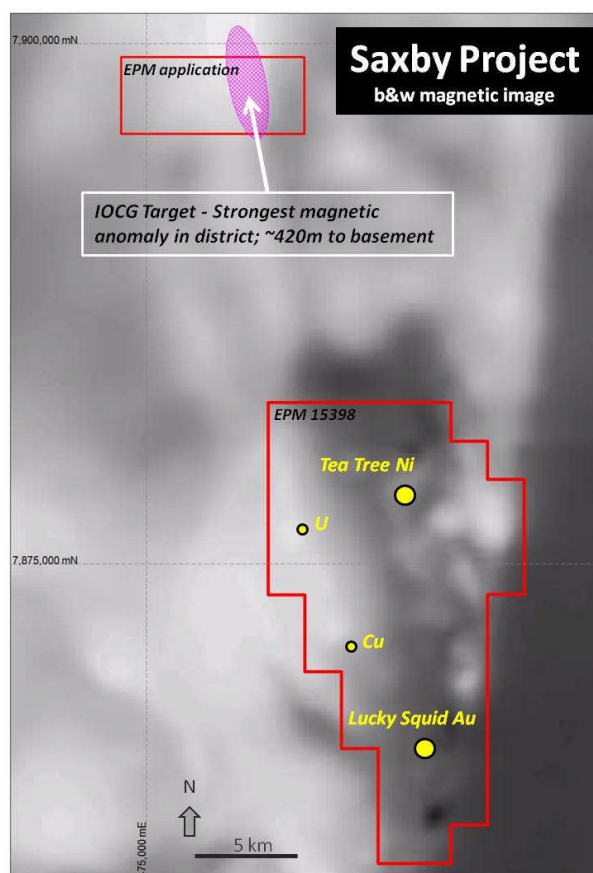
Saxby Project – Mt Isa Block QLD

Gold, copper-gold (Falcon 100%)

The Saxby Project is 165 km north-northeast of Cloncurry in the Gulf Country of northwest Queensland. Following large tenement reductions the project now consists of one granted exploration permit that contains the Lucky Squid Gold Prospect, the Tea Tree Nickel Prospect and two other un-named Cu-U prospects. These prospects are hosted by basement rocks of the Mt Isa Block that are buried beneath 400m of younger sedimentary cover.

The Company has also lodged an exploration permit application to cover the strongest magnetic feature in the district as this is considered to have potential for Ernest Henry style mineralisation. The target is at ~ 420m depth.

No field work was completed during the quarter and none is planned for this calendar year. The Company is seeking a joint venture partner to progress mineral exploration.



Other Projects

Cloncurry Project, Mt Isa Block QLD (Falcon 100%)

No field work was undertaken on the Cloncurry Project. The project consists of one granted Exploration Permit for Minerals (EPM) and one EPM application. The pending execution of a heritage agreement should expedite the grant of the EPM application. As reported last quarter, the Company is in discussions with a group that has expressed an interest in joint venturing into this project. Although no agreement has been reached this should advance upon the execution of the heritage agreement.

Kundi Well, Duketon Greenstone Belt WA (Falcon application withdrawn)

This tenement application was withdrawn following a brief field visit and a due diligence of historical exploration.

Windanning Hill Iron JV (Falcon diluting; ~20% retained interest)

JV operator and manager Gindalbie Metals Ltd drilled four reverse circulation holes (368 metres) to test aeromagnetic targets thought to represent iron formations near structures and cross-cutting dolerite dyke. Drilling failed to intersect iron formation.

Other JV Projects

No field activities were reported by the operator-managers of the Windanning Hill Gold JV and the Duketon JV.

Corporate

There were no changes to the capital structure of the Company and the cash reserves at the end of quarter were \$1.4M.

For further information on Falcon Minerals Limited please contact:



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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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

FALCON MINERALS LIMITED

ABN

20 009 256 535

Quarter ended ("current quarter")

31 MARCH 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(100) (60)	(248) (480)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	33	78
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	17	96
Net Operating Cash Flows	(110)	(554)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(110)	(554)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(110)	(554)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
Net financing cash flows			
Net increase (decrease) in cash held		(110)	(554)
1.20	Cash at beginning of quarter/year to date	1,533	1,977
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,423	1,423

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	84
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	70
4.2 Development	
4.3 Production	
4.4 Administration	70
Total	140

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	51	114
5.2 Deposits at call	1,372	1,419
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,423	1,533

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM 25152	Registered Applicant	0%	100%
	E38/2732	Registered Applicant	0%	100%
	E38/2733	Registered Applicant	0%	100%
	P38/4007	Registered Applicant	0%	100%
	P38/4008	Registered Applicant	0%	100%
6.2 Interests in mining tenements acquired or increased	E59/1914	Appln. withdrawn	100%	0%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	163,578,935	163,578,935		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,000,000		<i>Exercise Price</i> \$0.20	<i>Expiry Date</i> 30 June 2015
	2,000,000		\$0.40	30 June 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)				
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 24 April 2013

Print name: Dean Calder

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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