



**FALCON**  
**MINERALS LIMITED**

28 October 2013

The Manager  
Company Announcements Office  
Australian Securities Exchange

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Dear Sir,

**NOTICE OF ANNUAL GENERAL MEETING & WAIVER FROM LISTING RULE 10.13.5**

Falcon Minerals Limited is pleased to advise that the Notice of Annual General Meeting ("NOM") will be dispatched to shareholders today (Monday 28<sup>th</sup> October 2013).

For the advice of shareholders, the NOM includes resolutions which seek shareholder approval for the issue of shares to directors in lieu of directors' fees. These resolutions required a waiver from Listing Rule 10.13.5 as the issue price of securities is not defined but based on a formula including a future security price. ASX Limited (ASX) has granted the waiver to Falcon Minerals Limited.

The Explanatory Memorandum that accompanies the NOM details the reasoning behind the proposal to issue shares to directors and the method for calculating the issue price of shares. In summary,

- The Board of Directors ("Board") has proposed to adjust the salary packages of directors to reduce the cash cost to the company and to issue securities in its place. The Board believes this is both responsible and appropriate given the difficult market conditions in the junior mining sector.
- The Company is proposing to issue approximately 30% of each directors agreed annual fees in fully paid ordinary shares to a total value of \$70,000 (Smit \$50,000, Diermajer \$11,000 and Muskett \$9,000). These shares will be issued within 1 month following the Annual General Meeting and the number of shares issued will be determined based on a 5 day volume weighted average price ("VWAP") of the shares immediately before the date of issue.
- Falcon Minerals Limited currently has 163,578,935 ordinary shares on issue, 2,000,000 unlisted options exercisable at 20 cents expiring on 30 June 2015 and 2,000,000 unlisted options exercisable at 40 cents expiring on 30 June 2015.
- The NOM provides examples on the number of shares to be issued to each director and the change to the capital structure of the Company based on VWAP of 0.5, 1.0 & 1.5 cents/share. For example, based on a share price of 1.0 cents per share, the number of shares issued to directors would be 7,000,000 and this would increase the number of ordinary shares on issue to 170,578,935.

Yours faithfully

Ron Smit  
**Director**



# **FALCON MINERALS LIMITED**

ACN 009 256 535

## **NOTICE OF ANNUAL GENERAL MEETING**

**INCLUDING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

Date of Meeting	Thursday 28th November 2013
Time of Meeting	10.00am WST
Place of Meeting	Board Room, Calder Roth & Co Level 2, 10 Outram Street WEST PERTH WA 6872

The Falcon Minerals Limited 2013 Annual Report is available online at

**[www.falconminerals.com.au](http://www.falconminerals.com.au)**

### **IMPORTANT NOTICE**

THE RESOLUTIONS PROPOSED FOR THIS MEETING ARE OF FUNDAMENTAL IMPORTANCE TO THE FUTURE OF YOUR COMPANY. IT IS RECOMMENDED THAT SHAREHOLDERS READ THIS INFORMATION MEMORANDUM IN FULL, AND IF THERE IS ANY MATTER THAT YOU DO NOT UNDERSTAND, YOU SHOULD CONTACT YOUR FINANCIAL ADVISER, STOCKBROKER OR SOLICITOR FOR ADVICE.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Falcon Minerals Limited (the “**Company**”) will be held at the office of Calder Roth & Co, Level 2, 10 Outram Street, West Perth WA on Thursday 28<sup>th</sup> November 2013 at 10.00am (WST) (“**Meeting**”).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum, Proxy Form and Notes form part of this notice.

Terms and abbreviations used in this Notice, the Explanatory Memorandum, the Proxy Form and the Notes are defined in the Glossary.

### Items of business

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#### **Item 1 – Financial Statements and Reports**

To receive and consider the financial statements and the reports of the directors and of the auditor for the year ended 30 June 2013.

*Note:*

*There is no requirement for shareholders to approve the financial statements and reports.*

#### **Item 2 - Remuneration Report**

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution.

***“That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2013 be adopted.”***

*Note:*

- This resolution is advisory only and does not bind the Company or the directors.*
- Shareholders should note that the result of the vote on this item may affect the 2014 Annual General Meeting. Under the Corporations Act, if 25 per cent or more of votes cast at the Meeting are against this resolution (constituting the ‘first strike’), a resolution on whether to hold a further meeting to spill the Board (a spill resolution) would be put to shareholders if a ‘second strike’ occurs at the 2014 Annual General Meeting. This spill resolution would be included in the 2014 Notice of Meeting.*

#### ***Voting exclusion statement***

*The following persons may not vote, and the Company will disregard any votes cast on Item 2:*

- by or on behalf of a member of the key management personnel whose remuneration details are included in the Remuneration Report, and their closely related parties; and*
- by a member of the key management personnel and their closely related parties as proxy, unless the vote is cast as proxy on behalf of a person entitled to vote on this resolution, and that vote has been cast as specified on the Proxy Form; or where there is no specified voting direction, the vote is cast by the Chairman of the meeting as proxy and who has been expressly authorised to vote on this resolution, even though it is connected with the remuneration of key management personnel.*

### **Item 3 - Re-election of Mr Richard Diermajer**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, Mr Richard Diermajer, being a director of the Company who retires in accordance with rule 13.2 of the Company's Constitution, and being eligible, be re-elected as a director of the Company."*

### **Item 4 - Authority to Issue Shares to Mr Ronald Smit**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That approval be given for the purposes of ASX Listing Rule 10.11 and all other purposes, for the issue up to \$50,000 worth of Shares to Mr Ronald Smit (or his nominee), in lieu of payment for services on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

### **Item 5 - Authority to Issue Shares to Mr Richard Diermajer**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That approval be given for the purposes of ASX Listing Rule 10.11 and all other purposes, for the issue up to \$11,000 worth of Shares to Mr Richard Diermajer (or his nominee), in lieu of directors' fees on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

### **Item 6 - Authority to Issue Shares to Mr Ray Muskett**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That approval be given for the purposes of ASX Listing Rule 10.11 and all other purposes, for the issue up to \$9,000 worth of Shares to Mr Ray Muskett (or his nominee), in lieu of directors' fees on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

#### ***Voting exclusion statement (Item 4, 5 and 6)***

*The following persons may not vote, and the Company will disregard any votes cast on Item 4, 5 and 6 by Mr Smit, Mr Diermajer, Mr Muskett, their nominees and their respective associates.*

*However, the Company need not disregard a vote cast by such persons appointed as proxy on behalf of a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

*In addition, the Company will disregard votes cast by a member of the key management personnel (and any of their closely related parties) as proxy on Items 4, 5 and 6, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on these resolutions, even though it is connected with the remuneration of key management personnel.*

A Proxy Form is attached and to be valid must be received by the Company no later than 10.00am (WST) on 26<sup>th</sup> November 2013. Proxy forms received later than this time will be invalid.

- ▶ By Mail to: PO Box 8319, Subiaco East WA6008
- ▶ By Facsimile to: +61 8 9382 4637
- ▶ In Person Suite 19, 100 Hay Street, Subiaco 6008

**Dated 24 October 2013, By Order of the Board**



**Dean Calder**  
Company Secretary

# Notes

## Explanatory Memorandum

The resolutions contained in this Notice of Meeting should be read in conjunction with the attached Explanatory Memorandum. The Explanatory Memorandum forms part of this Notice of Meeting.

## Shareholders who are entitled to attend and vote

In accordance with the Company's Constitution and the Corporations Regulations 2001 (Cth), the Board has determined that the members entitled to attend and vote at the Meeting will be those persons who are recorded in the register of members at 5.00pm (WST) on Monday 25<sup>th</sup> November 2013.

## How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

## Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 10 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

## Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

## Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Item 2, 4, 5 and 6, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice of Meeting, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- To be effective, proxies must be lodged no later than 10.00am (WST) on 26<sup>th</sup> November 2013. Proxies lodged after this time will be invalid.
- A completed proxy form may be lodged using any of the following methods:
  - by post to: PO Box 8319, Subiaco East WA 6008;
  - by facsimile to: +61 8 9382 4637;
  - in person to: Suite 19, 100 Hay Street, Subiaco 6008.

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.00am (WST) on 26<sup>th</sup> November 2013. If facsimile transmission is used, the power of attorney must be certified.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of Falcon Minerals Limited in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the office of Calder Roth & Co, Level 2, 10 Outram Street West Perth WA on Thursday 28<sup>th</sup> November 2013 at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

At the Annual General Meeting, Shareholders will be asked to consider resolutions:

- Adopting the remuneration report, this resolution is advisory only
- The re-election Mr Richard Diermajer as a director who retires by rotation in accordance with the Company's constitution.
- Approval to issue Shares to Directors in lieu of payment for services.

Each of these resolutions is an ordinary resolution requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

### Item 1 – Financial Statements and Reports

The Corporations Act requires the Company's financial statements and reports for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's 2013 Annual Report.

The 2013 Annual Report is available from the Company's website at [www.falconminerals.com.au](http://www.falconminerals.com.au).

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

The Company's auditor, Stantons International, will be present at the Meeting and shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

### Item 2 – Adoption of the Remuneration Report

In accordance with the Corporations Act, the Board is presenting the Remuneration Report for the year ended 30 June 2013 to Shareholders for consideration and adoption. This resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report contains:

- information about Board policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each Director and for each of the Company's specified executives.

The Directors' Report (commences on page 10 of the 2013 Annual Report and includes the Remuneration Report) contains a report of key management personnel's remuneration. The remuneration report is submitted to shareholders for consideration and adoption. For further information on the Company's remuneration policy, shareholders may refer the Company's Corporate Governance Policy. Copies of the Company's Annual Report, Constitution and Corporate Governance Policy are all available on its website [www.falconminerals.com.au](http://www.falconminerals.com.au)

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2013 AGM, and then again at the 2014 AGM, the Company will be required to put a resolution to the 2014 AGM, to approve calling a general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene a general meeting (**spill meeting**) within 90 days of the 2014 AGM. All of the Directors who were in office when the 2014 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Board unanimously recommends that the shareholders vote in favour of the resolution to adopt the current remuneration report.

Shareholders are advised that a voting exclusion applies to this resolution in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of this resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this resolution.

### **Item 3 - Re-election of Mr Richard Diermajer as a Director**

In accordance with the Company's Constitution and the ASX Listing Rules, Mr Diermajer retires and, being eligible, offers himself for re-election.

Mr Diermajer is a founding director of the Company (appointed on 3 July 1987). Mr Diermajer holds a degree in Legal Studies and has over 40 years experience in the minerals and resource sector. Mr Diermajer has not held any former public company directorships in the last 3 years.

The Board (other than Mr Diermajer because of his interest) recommends that shareholders vote in favour of Mr Diermajer's re-election.

### **Item 4, 5 and 6 – Approval to Issue Shares to Directors**

The Board has determined that remuneration for the 2014 financial year (effective 1 July 2013) be adjusted to allow a component of the remuneration of key management personnel be made via the issue of shares in lieu of cash payment for services. This is deemed by the Board as an appropriate and responsible measure to reduce the cash burn rate of the Company given the difficult market conditions in junior mining sector.

The Managing Director, Mr Smit has agreed to a salary of \$170,000 per annum which shall be made up of \$120,000 cash and \$50,000 as Shares in the Company.

Mr Diermajer (Chairman) has agreed to non-executive directors fees of \$36,000 per annum which shall be made up of \$25,000 cash and \$11,000 as Shares in the Company.

Mr Muskett has agreed to non-executive directors fees of \$30,000 per annum which shall be made up of \$21,000 cash and \$9,000 as Shares in the Company.

Items 4, 5 and 6 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to \$70,000 worth of Shares to Messrs Smit, Diermajer and Muskett (or their nominees) in lieu of services or directors' fees payable to Messrs Smit, Diermajer and Muskett during current financial year (together the **Directors Shares**).

Subject to Shareholder approval of Items 4, 5 and 6, the number of Directors Shares to be issued to each of Messrs Smit, Diermajer and Muskett (or their nominees) will be calculated in accordance with the formula shown in Table 1.

The issue price of each Director Share will be equal to the 5 day VWAP of Shares immediately before the date of the issue. No funds will be raised from the issue of the Directors Shares as they are being issued for nil cash consideration but as part of the consideration for the services to be provided by the Directors during the current financial year.

**TABLE 1**

Director (or nominee)	No of Shares
Mr Ronald Smit	No. of Shares = <u>\$50,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue
Mr Richard Diermajer	No. of Shares = <u>\$11,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue
Mr Ray Muskett	No. of Shares = <u>\$9,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue
Total	No. of Shares = <u>\$70,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue

**Section 208 of Corporations Act**

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- b) give the benefit within fifteen (15) months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Director Shares as the exception in section 211 of the Corporations Act applies. The Director Shares are being issued in lieu of service or directors' fees payable to Messrs Smit, Diermajer and Muskett and is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

**Listing Rule 10.11**

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company and former directors of a public company. Messrs Smit, Diermajer and Muskett are Directors of the Company and as such are related parties of the Company.

The effect of passing Items 4, 5 and 6 will be to allow the Company to issue up to \$70,000 worth of Shares to Messrs Smit, Diermajer and Muskett (or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1. If Shareholders do not approve Item 4, 5 and 6, the Company will not issue the Director Shares to Messrs Smit, Diermajer and Muskett (or their nominees).

Items 4, 5 and 6 are ordinary resolutions. The Chairman will cast all available proxies in favour of Items 4, 5 and 6.

**Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- a) The Directors Shares will be issued to Messrs Smit, Diermajer and Muskett (and/or their nominees).
- b) The maximum number of Shares to be issued to each of Messrs Smit, Diermajer and Muskett (and/or their nominees) will be calculated in accordance with the formulae shown in Table 1. Table 2 below provides examples of the number of Shares to be issued to each of Messrs Smit, Diermajer and Muskett based on a VWAP (volume weighted average share price) of 0.5 cents/share, 1.0 cents/share and 1.5 cents/share. Table 3 provides an indication as to the change to the number of Shares on Issue following the issue of the Director Shares.
- c) The Directors Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- d) The Directors Shares will be issued at an issue price equal to the 5 day VWAP of Shares immediately before the date of the issue.



- e) The Director Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- f) A voting exclusion statement is included in the Notice of Meeting for each of Item 4, 5 and 6.
- g) No funds will be raised from the issue of the Director Shares as they are being issued for nil cash consideration but as part of the consideration for the services to be provided by the Directors during the current financial year.

**TABLE 2** – This table provides details on the number of Shares to be issued to each Director based on a VWAP 0.5 cents/share, 1.0 cents/share and 1.5 cents/share.

VWAP	Mr Ronald Smit	Mr Richard Diermayer	Mr Ray Muskett	Total number of Shares to be Issued
Example 0.5 cents/share	10,000,000	2,200,000	1,800,000	14,000,000
Example 1.0 cents/share	5,000,000	1,100,000	900,000	7,000,000
Example 1.5 cents/share	3,333,333	733,333	600,000	4,666,666

**TABLE 3** – This table provides details on the change to the number of Shares on Issue in Falcon Minerals Limited following the issue of Shares to Directors based on a VWAP 0.5 cents/share, 1.0 cents/share and 1.5 cents/share.

VWAP	The current number of Shares on Issue	Total number of Director Shares to be Issued	The number of Shares on Issue following the issue of Director Shares
Example 0.5 cents/share	163,578,935	14,000,000	177,578,935
Example 1.0 cents/share	163,578,935	7,000,000	170,578,935
Example 1.5 cents/share	163,578,935	4,666,666	168,245,601

## GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>Accounting Standards</b>	has the meaning given to that term in the Corporations Act.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Closely Related Party</b>	has the meaning given to that term in the Corporations Act.
<b>Company</b>	means Falcon Minerals Limited ACN 009 256 535
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Director Shares</b>	means the shares to be issued to Directors as payment for services
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Key Management Personnel</b>	has the meaning given to that term in the Accounting Standards.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice or Notice of Meeting</b>	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Restricted Voter</b>	means the Key Management Personnel and their Closely Related Parties.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of Shares.
<b>WST</b>	means Australian Western Standard Time.
<b>VWAP</b>	means the volume weighted average share price

## PROXY FORM

Shareholder Name  
Shareholder Address

Number of  
shares held

*fill in number*

Please mark  to indicate your directions

### Step 1 —> Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Falcon Minerals Limited hereby appoint

the Chairman  
of the Meeting

OR

Please note: Leave this box blank if you have selected the Chairman of the Meeting

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting and at any adjournment or postponement of that Meeting.

**Chairman to vote undirected proxies in favour:** I/we acknowledge that the Chairman of the Meeting intends to vote all undirected and available proxies in favour of each resolution.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 2, 4, 5 and 6** (except where I/we have indicated a different voting intention below) even though each of these resolutions are connected directly or indirectly with the remuneration of a member of key management personnel. The express authorisation of the Chairman is also subject to you marking Box A below.

**Important for Items 4, 5 and 6:** If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on **Items 4, 5 and 6** below, please mark Box A.

If you do not mark this box and you have not otherwise directed your proxy how to vote on **Item 4, 5 and 6**, the Chairman of the Meeting will not cast your votes on **Items 4, 5 and 6** and your votes will not be counted in computing the required majority if a poll is called on these resolutions.

Box A

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of **Items 4, 5 and 6**, and that votes cast by the Chairman (other than as proxy holder) on those items would be disregarded because of that interest.

### Step 2 —> Items of Business

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

	For	Against	Abstain
Item 2 Adoption of Remuneration Report (Non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Mr Richard Diermajer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Authority to issue Shares to Mr R Smit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Authority to issue Shares to Mr R Diermajer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Authority to issue Shares to Mr R Muskett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

### Step 3 —> Signature of Securityholder(s) This section must be completed

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact  
Name: \_\_\_\_\_

Contact  
Phone: \_\_\_\_\_

Date: \_\_\_\_\_

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointing a Proxy

A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.

### Direction to Vote

A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

### Signing Instructions

- **Individual:** Where the holding is in one name, the security holder must sign.
- **Joint Holding:** Where the holding is in more than one name, all of the security holders should sign.
- **Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 10 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

### Return of Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) delivery to *Suite 19, 100 Hay Street, Subiaco, WA 6008*; or
- (b) post to PO Box 8319, Subiaco East, 6008, WA; or
- (c) facsimile to +61 8 9382 4637.

**For your vote to be valid it must be received not less than 48 hours prior to the commencement of the Meeting (10.00am WST Tuesday, 26th November 2013)**