



# Quarterly Report

For the three months ending 31 December 2013

ASX Release: 29 January 2014

## Summary & Highlights for the Quarter

### Exploration

- Minotaur Exploration completed two lines of IP over coincident magnetic and gravity anomalies on the Cloncurry JV Project. Strong chargeability anomalies were identified on both lines and follow-up work is being planned;
- no field exploration was undertaken on any other project; the Company is seeking joint venture partners for the Saxby and Collurabbie Projects; and
- the Company continued to review joint venture / acquisition opportunities as well as maintain its greenfields project generation strategy.

### Corporate

- End of quarter cash position was \$1.11M with 169,046,317 fully paid shares on issue; and
- 5,467,382 fully paid shares were issued to Directors in lieu of fees for service.

### *Falcon Minerals Limited*

ASX Code: **FCN**  
ACN: 009 256 535

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### *Capital Structure*

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

### *Cash at Bank - \$1.11M*

### *Board Members*

Richard Diermayer – NE Chairman  
Ron Smit - Managing Director  
Ray Muskett – NE 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 with 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 Company continued to review a number of mineral exploration properties as part of its ongoing commitment to find an asset that can add value to the company's portfolio. Of the several projects reviewed none has so far satisfied the company's present criteria given its financial capacity, their development potential and the expected level of market interest.

Minotaur Exploration completed field work on the Cloncurry Joint Venture. No other field work was completed on the Company's other mining tenements.

### **Cloncurry JV Project, Mt Isa Block QLD (100% Falcon, Minotaur earning an Interest)**

*Minotaur Exploration can earn a 51% interest in EPM 18289 & EPM 18313 by spending \$250,000 over 2 years or a 75% interest by spending a total of \$750,000 over a total period of 5 years. The Joint Venture commenced in June 2013.*

During the quarter Minotaur Exploration completed two lines of IP over two coincident magnetic and gravity anomalies in the south-eastern part of EPM 18289 (Figure 1). This tenement is located approximately 10km northeast of Cloncurry and 20km southwest of the Ernest Henry Cu-Au mine.

The survey highlighted strong chargeability anomalies on both lines. Two anomalies are present on Line 6000. The main anomaly in the centre of the line is coincident with the magnetic/gravity anomaly. It appears to have been drill tested by previous explorers with negative results. Two anomalies are also present on Line 8000. The anomaly on the northern end of the line is coincident with outcropping magnetite-haematite ironstone. Rock chip sampling of this outcrop returned only low values. A second anomaly is coincident with the magnetic gravity anomaly. Sampling of sub-cropping lithologies in this area returned elevated Cu values up to 333 ppm. Further modelling and assessment of mapping and sampling data will be carried out to prioritise possible drill targets on Line 8000 and to determine whether previous drilling has effectively tested the anomaly on Line 6000.

During the quarter EPM 18313 was granted for a term of 5 years.

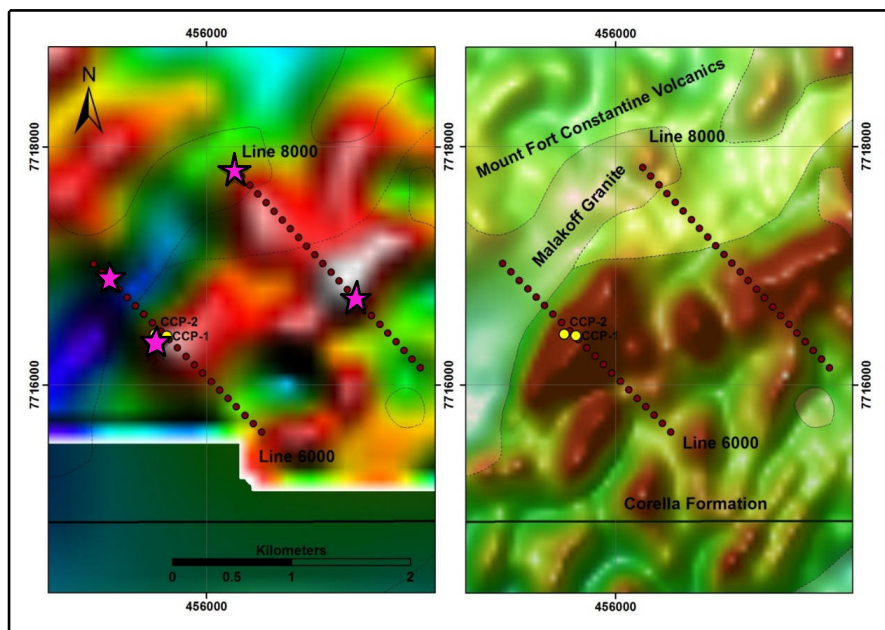


Figure 1: Southern part of EPM18289 showing the locations of the completed IP lines and anomalies (pink stars overlain on left image - 1<sup>st</sup> VD gravity image. Right image - magnetic features and main geological boundaries. Drillholes by previous explorers are shown as yellow circles

**Collurabbie Project, Duketon Belt, Yilgarn Block WA (100% Falcon, seeking JV partner)**

*The Collurabbie Project is 200 km north of Laverton in the Duketon Greenstone Belt of Western Australia. Falcon and / or its former JV partners have been exploring the project area for more than a decade and have completed airborne and ground geophysical surveys, surface geochemical surveys and a high volume of drilling. The project includes the Olympia nickel-copper discovery and several other nickel and gold prospects and targets.*

No field activities were undertaken on this project.

The Company is seeking a joint venture partner to progress mineral exploration.

**Saxby Project, Mt Isa Block QLD (100% Falcon, seeking JV partner)**

*The Saxby Project consists of two exploration permits located 165 km north-northeast of Cloncurry in the Gulf Country of northwest Queensland. EPM 15398 contains precious and base metal prospects (including the Lucky Squid Gold and Tea Tree Nickel prospects). These prospects are hosted by basement rocks of the Mt Isa Block that are buried beneath 400m of younger sedimentary cover. EPM 25152 covers the strongest magnetic feature in the district as this is considered to have potential for Ernest Henry style mineralisation. EPM 25152 was granted during the quarter for a period of 5 years.*

No field activities were undertaken on the project.

The Company is seeking a joint venture partner to progress mineral exploration.

**Aunta Project, Arunta Block NT (100% Falcon)**

*EL29728 was granted in June 2013 for a term of six years. It is 300km north of Alice Springs and covers an area of concealed Proterozoic basement belonging to the Aunuta Complex. Nearby mineral prospects include Kroda, Tulsa, Home of Bullion and Strzeleckie.*

No field activities were undertaken on this project during the quarter.

**Windanning Hill JV, Yalgoo Greenstone Belt WA (Falcon diluting; ~20% retained interest)**

*The Windanning Hill Project is 75km southeast of Yalgoo. It consists of two Mining Leases (M59/379 and M59/380). Falcon has an Iron JV with Gindalbie Metals Ltd and a Gold JV with Minjar Gold Pty Ltd.*

No field activities were undertaken by the operators of the joint ventures.

**Deleta Joint Venture, Duketon Greenstone Belt WA (20% Falcon)**

*Regis Resources Limited is the operator and manager of the JV which began in September 1998. The JV consists of three mining titles. E38/1939 is immediately south of Falcon's Collurabbie Project whilst E38/2005 and M38/1091 are immediately north of Regis's Moolart Well gold mine.*

No field activities were undertaken by the operators of the joint ventures.

## Corporate

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The Annual General Meeting of shareholders was held at the office of Calder Roth & Co on Thursday 28<sup>th</sup> November 2013. All resolutions were passed. At the AGM shareholders approved the issue of shares to Directors in lieu of service fees. As a consequence 5,467,382 shares were issued and the total number of shares on issue is now 169,046,317. The cash reserves at the end of quarter was \$1.11M.

Subsequent to the end of quarter the Company move its principal place of business to 8 Colin Street, West Perth WA.

The mining tenements held at the end of the quarter and their location is listed in Table 1.

For further information on Falcon Minerals Limited please contact:



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**Managing Director**  
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### **Competent Persons Statement**

*Information in this report that relates to Exploration Targets, 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 being undertaken to qualify as a Competent Person, as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). 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.*

**Table 1: Summary of mining tenements held at the end of quarter (31 December 2013) and their location**

Interest in mining tenements acquired or increased	Tenement	Location	State	% at beginning of quarter	% at end of quarter	Operator
		EPM 18313	Cloncurry	QLD	0	100
	EPM 25152	Cloncurry	QLD	0	100	Falcon
The mining tenements held at the end of the quarter and their location	E38/1986	Collurabbie	WA	100	100	Falcon
	E38/2009	Collurabbie	WA	100	100	Falcon
	M38/974	Collurabbie	WA	100	100	Falcon
	P38/3398	Collurabbie	WA	100	100	Falcon
	P38/3876	Collurabbie	WA	100	100	Falcon
	E38/2816	Collurabbie	WA	0	0	Falcon
	E38/2817	Collurabbie	WA	0	0	Falcon
	P38/4071	Collurabbie	WA	0	0	Falcon
	P38/4072	Collurabbie	WA	0	0	Falcon
	EPM 15398	Saxby	QLD	100	100	Falcon
	EPM 25152	Saxby	QLD	0	100	Falcon
	EL 29728	Arunta	NT	100	100	Falcon
	E38/2005	Duketon	WA	20	20	Regis Resources
	M38/1091	Duketon	WA	20	20	Regis Resources
	E38/1939	North Duketon	WA	20	20	Regis Resources
	M59/379	Windanning	WA	Iron JV: 18.7% diluting Gold JV: ~ 20% diluting	18.7 ~20	Gindal bie Minjar Gold
	M59/380	Windanning	WA	Iron JV: 18.7% diluting Gold JV: ~ 20% diluting	18.7 ~20	Gindal bie Minjar Gold
	EPM 18289	Cloncurry	QLD	100%, Minotaur earning 51%	100	Minotaur
	EPM 18313	Cloncurry	QLD	0% Minotaur earning 51%	100	Minotaur

# 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 December 2013

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(23)  (97)	(71)  (182)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(110)</b>	<b>(232)</b>
<b>Cash flows related to investing activities</b>		
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	- - 40	- - 40
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>40</b>	<b>40</b>
1.13 Total operating and investing cash flows (carried forward)	(70)	(192)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(70)	(192)
<b>Cash flows related to financing activities</b>			
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)	-	-
<b>Net financing cash flows</b>		-	-
<b>Net increase (decrease) in cash held</b>		<b>(70)</b>	<b>(192)</b>
1.20	Cash at beginning of quarter/year to date	1,180	1,302
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,110</b>	<b>1,110</b>

**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	55
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

1.23 Directors' salaries, fees and superannuation.

**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	50
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>150</b>

### 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	62	63
5.2 Deposits at call	1,048	1,117
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,110</b>	<b>1,180</b>

### 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			
6.2	Interests in mining tenements acquired or increased	EPM 25152 EPM 18313	0% 0%	100% 100%

+ 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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	169,046,317	169,046,317		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,467,382		\$0.0128	Fully Paid
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <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 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> ( <i>totals only</i> )				
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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 January 2014

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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+ See chapter 19 for defined terms.