



Quarterly Report

For the three months ending 31 March 2015

ASX Release: 28 April 2015

Summary & Highlights for the Quarter

- End of quarter cash position was \$0.78M;
- Field work set to recommence at Collurabie with four surface geochemical surveys planned to better define nickel and gold targets. The Company is still planning to divest this project;
- A technical review for the Saxby Project generated high quality Ni and Au-Cu targets. However, further work is on hold until a JV partner can be secured given the depth of cover and the high cost of exploration;
- The managers of the Deleta JV and Windanning JV have not reported any field activities.
- The Company continued to review joint venture / acquisition opportunities as well as maintain its project generation strategy.

Falcon Minerals Limited

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

Unit 1, 245 Churchill Avenue
Subiaco WA 6008

PO Box 8319, Subiaco East WA 6008

Tel: 08 9382 1596
Fax: 08 9382 4637
Email: rsmit@falconminerals.com.au

Capital Structure

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

Cash at Bank - \$0.78M

Board Members

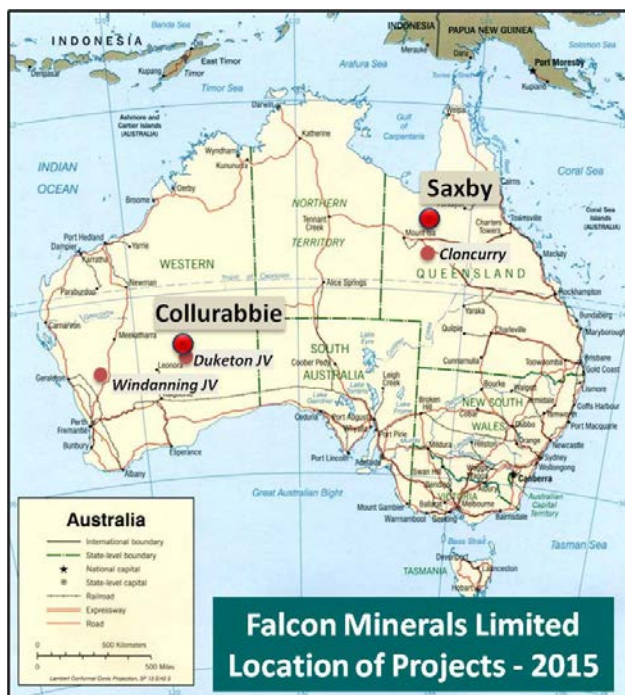
Richard Diermayer – NE Chairman
Ron Smit - Managing Director
Ray Muskett – NE Director

Key Projects

Collurabie 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



www.falconminerals.com.au

Mineral Exploration Activities

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 and Troy nickel-copper-PGE discoveries and several other nickel and gold prospects and targets.

Geochemical sampling planned for the current quarter was abandoned due to heavy rains in the district. These surveys are now scheduled for the current quarter.

The following surface geochemical surveys are planned (refer to Figure 1):

- Survey 1 - Lag sampling to infill and ascertain more geoscientific information for gold anomalies detected by wide-spaced sampling in 2012. Elevated gold levels up to 45 ppb were returned from the first-pass sampling of areas characterised by 10-30 m of younger cover rocks (Permian and Proterozoic sedimentary rocks).
- Survey 2 - Infill lag sampling of a discrete gold anomaly detected across two sample lines by WMC in 2004. The highest gold level reported was 61 ppb in an area of thin colluvium.
- Survey 3 - Infill lag sampling to better define a nickel anomaly that is located south along strike from the Troy Ni Prospect. At Troy, disseminated and semi-massive nickel mineralisation occurs at the base of an ultramafic intrusion and is continuous for more than 1500m in strike length (refer to Table 1 for historical drill intersections). The mineralisation is a buried system and no surface sampling has been undertaken at Troy.

Magnetic data clearly indicates that the nickel anomaly is along strike and hosted by the same ultramafic at Troy. Infill sampling is expected to better define the anomaly and advance it to a drill ready status.

Table 1: Troy Ni Prospect – historical drill intersection (as previously reported)

Hole Id	Interval (m)	Ni %	Cu %	Pt + Pd g/t	From (m)	Northing
CLD053	0.6	2.21	0.98	0.81	347.1	7033000
CLD053	8.2	0.82	0.41	0.87	357.4	7033000
CLD052	2.8	1.05	0.47	0.88	347.5	7033400
CLD035	1.3	0.69	0.36	1.26	171.4	7033600
CLD033	0.57	1.25	0.15	1.26	398.1	7033600
CLD057	2.36	0.49	0.20	0.70	337.0	7033800
CLD013	5.2	0.77	0.31	1.19	379.5	7034100
CLD040	20.0	0.67	0.25	0.64	145.0	7034340

- Survey 4 - Reconnaissance lag sampling west of the Beta Ultramafic to test a basalt-sediment package for gold and base metal mineralisation. This area was chosen as elevated gold and zinc were reported in historical drilling.

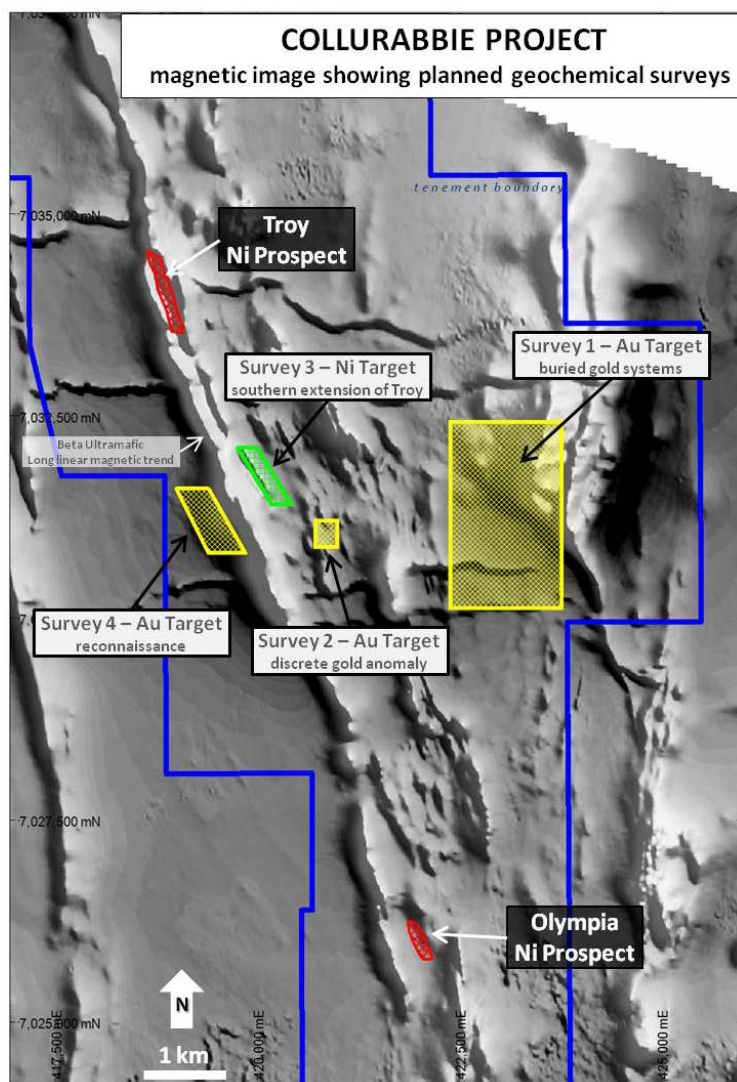


Figure 1: Collurabbie Project showing the planned geochemical surveys for the quarter

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

The Saxby Project consists of one Exploration Permit for Minerals (EPM 15398) located 165 km north-northeast of Cloncurry in the Gulf Country of northwest Queensland. It contains precious and base metal prospects (including the Lucky Squid Gold and Tee Tree Nickel prospects). These prospects are hosted by basement rocks of the Mt Isa Block that are buried beneath 400m of younger sedimentary cover.

A target generation exercise was completed during the quarter. This evaluation involved a review of all available historical geoscientific information for the project with particular emphasis on the magmatic nickel potential of the Tee Tree Prospect and the copper-gold potential of the Lucky Squid Prospect.

At the Tee Tree Prospect a possible magma feeder has been interpreted and is a direct drill target (Figure 2a). This subcircular feature is located proximal to a NE trending structure and is adjacent to gabbro, olivine gabbro and gabbro-norite bodies that contain low-grade magmatic Ni – Cu sulphides.

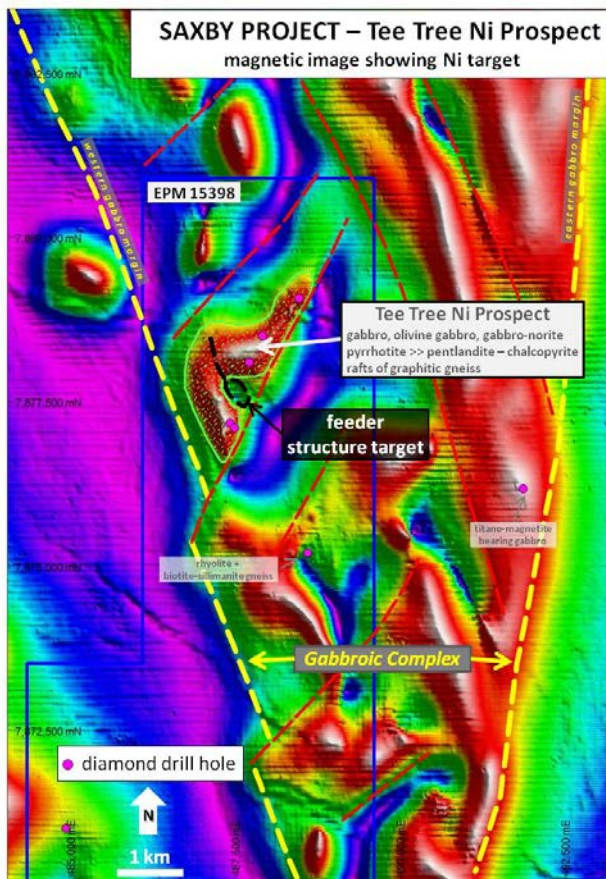


Figure 2a: Tee Tree Ni Prospect showing magma feeder target

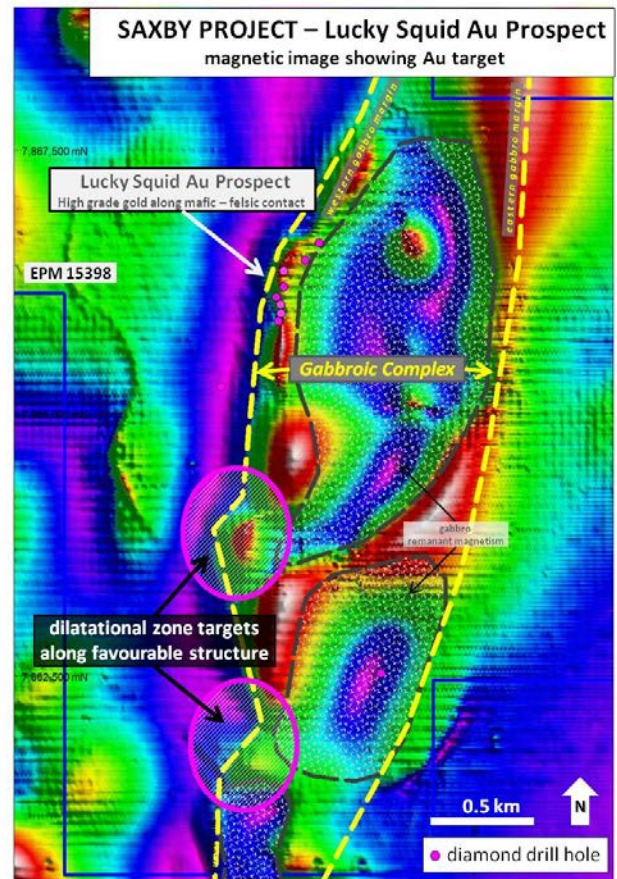


Figure 2b: Lucky Squid Au Prospect showing dilatational zone targets

Structural analysis of geophysical information south of the Lucky Squid prospect has outlined two areas of interest along the gabbro – felsic contact (Figure 2b). This altered and faulted contact is regarded as a favourable corridor for Au-Cu mineralisation and the two areas of interest are characterised by structural complexities (fault jogs with potential dilational zones). These targets should be tested by deep diamond drilling.

The Company does not have the resources to fund these drilling programs and as a consequence is looking to divest this project.

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

The Cloncurry Project consists of one Exploration Permit for Minerals (EPM 18313) located 85km south of Cloncurry. It is considered prospective for IOCG mineralisation.

During the quarter there were no field activities undertaken. EPM 18289 located 10km northeast of Cloncurry was surrendered as part of on-going tenement management. The Cloncurry Project now consists of EPM 18313.

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. Falcon retains a 20% free carried interest to completion of feasibility study.

No field activities were reported by the JV manager.

Windanning Hill JV, Yalgoo Greenstone Belt WA (Falcon diluting; ~19% retained interest)

The Windanning Hill Project is 75km southeast of Yalgoo. It consists of two Mining Leases (M59/379 and M59/380) under JV to Minjar Gold Pty Ltd. It includes the Keronima gold prospect.

No field activities were reported by the JV manager.

Corporate

There were no changes to the capital structure of the Company and the cash reserves at the end of quarter were \$0.78M. During the quarter \$40,000 was spent on exploration activities.

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:



Ron Smit
Managing Director

Phone: 08-9382 1596

Mobile: 0408 095 452

rsmit@falconminerals.com.au

or visit our website at: **www.falconminerals.com.au**

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed 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 2012 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.

The exploration results for all projects were previously prepared and disclosed under the JORC Code 2004 and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to www.falconminerals.com.au for previous project announcements.

Table 1: Summary of mining tenements held at the end of quarter (31 March 2015) and their location

Interest in mining tenements acquired, increased or decreased	Tenement	Location	State	% at beginning of quarter	% at end of quarter	Status / Operator
	EPM 18289	Cloncurry	QLD	100%	0%	Surrendered

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
	E38/2816	Collurabbie	WA	100	100	Falcon
	E38/2817	Collurabbie	WA	100	100	Falcon
	P38/4071	Collurabbie	WA	100	100	Falcon
	P38/4072	Collurabbie	WA	100	100	Falcon
	E38/2912	Collurabbie	WA	100	100	Falcon
	EPM 15398	Saxby	QLD	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	Gold JV: ~ 19% diluting	~19	Minjar Gold
	M59/380	Windanning	WA	Gold JV: ~ 19% diluting	~19	Minjar Gold
	EPM 18289	Cloncurry	QLD	100	0	Falcon
	EPM 18313	Cloncurry	QLD	100	100	Falcon

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 2015

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	(40)	(106)
(b) development	-	-
(c) production	-	-
(d) administration	(23)	(171)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(57)	(257)
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)	(57)	(257)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(57)	(257)
	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	(57)	(257)
1.20	Cash at beginning of quarter/year to date	840	1,040
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	783	783

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'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	13
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	55
4.2 Development	-
4.3 Production	-
4.4 Administration	40
Total	95

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	76	138
5.2 Deposits at call	707	702
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	783	840

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 18289	Surrendered	100%	0%
6.2 Interests in mining tenements acquired or increased				

+ 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	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				
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: 28 April 2015

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.