



Quarterly Report

For the three months ending 30 June 2015

ASX Release: 30 July 2015

Summary & Highlights for the Quarter

- End of quarter cash position was \$0.71M;
- No field work was undertaken on the Collurabbie, Saxby or Cloncurry projects. Falcon is seeking to reduce its financial exposure on these projects by farm-outs or other suitable forms of divestment;
- RC drilling was completed at the Keronima Gold Deposit by JV partner Minjar Gold. Several gold intersections consistent with the known mineralisation were reported. Minjar Gold is considering the development of the Keronima gold deposit to provide feed to its Minjar Gold Plant.
- The managers of the Deleta JV have not reported any field activities.
- The Company continued to review opportunities in the mineral sector and has also broaden its scope of enquiry to include IT-related projects and investments.

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

Cash at Bank - \$0.71M

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



www.falconminerals.com.au

Mineral Exploration Activities

The Company has been reviewing for some time a number of opportunities within the mineral sector to add to its current mineral exploration portfolio. Several local and international opportunities have been reviewed, but so far none have satisfied the Company's present criteria given its financial capacity, the exploration and development potential and the expected level of market interest.

In the last few months, the Company has broadened its scope of enquiry to include IT-related projects and investment opportunities. The Company has already assessed and declined a number of opportunities in the IT sector. Whilst the Company continues to actively review opportunities in this sector, no agreement has been reached or arrangement secured which would require market disclosure.

The Company will continue to pursue both mineral sector and IT sector opportunities.

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 (the operator and manager of the project) and includes the Keronima gold deposit. Falcon has not contributed to mineral exploration on this project for several years; it is diluting and currently holds approximately a 19% Interest.

In April 2015, Minjar Gold Pty Ltd (**Minjar Gold**) drilled 32 infill reverse circulation holes for 2,197 m on nominal 20m x 30m centres to assess the gold variability within the Keronima gold deposit and to allow optimisation of pit shell design and the delineation of ore for mining. Several gold intersections consistent with the known mineralisation were reported. Refer to Falcon Minerals Limited ASX release on 20 July 2015 titled "Windanning Hill JV Update".

Minjar Gold is considering the development of the Keronima gold deposit to provide feed to its Minjar Gold Plant. Keronima is a satellite deposit located 30 km south of the Minjar Gold Plant.

Minjar Gold is preparing an updated resource, a feasibility report and pit design for the Joint Venture operating committee. A Total Resource estimate of 281,000 tonnes at 2.2 g/t for 19,900 ounces of contained gold was prepared in 2006 under JORC 2004 guidelines (ASX release October 2006 – 2006 Annual Report to Shareholders, Monarch Gold Mining Company Limited). The latest studies indicate that this resource base has not materially changed and that 10,000 ounces of gold could be recovered by mining.

A decision to mine has not been made. The Company will keep the market fully inform as to the outcome of the mining study.

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 programs planned for this quarter have been deferred whilst the Company considers other opportunities.

Saxby Project & Cloncurry 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.

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 on the Saxby Project and the Cloncurry Project in the Mt Isa Block, NW Queensland.

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.

Corporate

4,000,000 unlisted options expired on 30 June 2015. The Company has the following securities on issue:

Number of Fully Paid Ordinary Shares on issue:	169,046,317
Number of Listed Options:	Nil
Number of Unlisted Options:	Nil

The cash reserves at the end of quarter were \$0.71M. During the quarter \$24,000 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.

The information relating to the 2006 Total Resource estimate for the Keronima Gold Deposit is extracted from Monarch Gold Mining Company Limited "2006 Annual Report to Shareholders" as released to the ASX in October 2006 and as prepared and disclosed under the JORC Code 2004. The Company believes that all material assumptions and technical parameters underpinning the 2006 Total Resource estimate continue to apply and have not materially changed. Minjar Gold is preparing an updated resource following infill resource drilling to comply with the JORC Code 2012 and this shall be released to the ASX when it becomes available.

Table 1: Summary of mining tenements held at the end of quarter (30 June 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

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 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")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(24)	(130)
(b) development	-	-
(c) production	-	-
(d) administration	(46)	(171)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	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	(70)	(327)
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)	(70)	(327)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(70)	(327)
	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	(70)	(327)
1.20	Cash at beginning of quarter/year to date	783	1,040
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	713	713

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	25
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	6	76
5.2 Deposits at call	707	707
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	713	783

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			

+ 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>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	2,000,000		<i>Exercise Price</i> \$0.20	<i>Expiry Date</i> 30 June 2015
	2,000,000		\$0.40	30 June 2015

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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: 29 July 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.