

# FALCON MINERALS LIMITED

## ACN 009 256 535

### RIGHTS ISSUE OFFER DOCUMENT

For a non-renounceable Entitlement issue of one (1) New Share for every three (3) existing Shares held by Eligible Shareholders registered at 5.00pm (WST) 1 September 2015 at an issue price of 0.9 cents per Share to raise up to approximately \$583,209 (before expenses) (**Offer**).

The Offer is fully underwritten by GTT Ventures Pty Ltd, and Richard Diermajer and Ron Smit (both Directors of the Company). Refer to Section 1.9 of this Offer Document for details regarding the terms of the Underwriting Agreements.

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#### IMPORTANT NOTICE

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**This document is not a prospectus and has not been lodged with ASIC. It is for information purposes only.**

Accordingly, this document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the Securities offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

***This offer opens on 2 September 2015 and closes at 5.00pm (WST) on 16 September 2015, unless extended at the Directors' discretion.***

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

## IMPORTANT NOTES

This Offer Document is dated 26 August 2015. This Offer Document is important and requires your immediate attention. It should be read in its entirety together with the Entitlement and Acceptance Form accompanying it. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a prospectus and this Offer Document does not contain all of the information which a prospective investor may require to make an investment decision or which would otherwise be required under Australian Law or any other law to be disclosed in a prospectus. The Offer Document is not required to be, and will not be, lodged with ASIC. Eligible Shareholders should therefore consider whether the securities offered under this document are a suitable investment in the light of their own investment objectives and financial circumstances and the merits or risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to the ASX. If, after reading this Offer Document, Eligible Shareholders have any questions regarding the Offer, they should contact their stockbroker, accountant or other independent professional adviser before deciding whether to accept the Offer. The information in this Offer Document does not constitute securities recommendation or financial product advice.

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Offer Document. Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out in Section 4 of this Offer Document.

### Eligibility and Offering Restrictions

Applications for Securities by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Forms sets out an Eligible Shareholder's Entitlement to participate in the Offer. Refer to sections 1.10, 1.11, 1.12 below for more information on entitlements, eligibility and Eligible Shareholders.

### Overseas Shareholders – Offer Restrictions and Nominee Arrangements

The Company has reviewed the register of Shareholders and has determined that this document will only be sent to Shareholders with registered address in Australia or New Zealand on the Record Date. This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia or New Zealand.

### Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share registry. You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1998 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

**This document is not a prospectus** and does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, New Shares offered by this Offer Document.

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# 1 DETAILS OF THE OFFER

## 1.1 The Offer

The Company is making a non-renounceable pro-rata offer of one (1) New Share for every three (3) existing Shares held by Shareholders registered at 5:00pm (WST) on 1 September 2015 at an issue price of 0.9 cents per New Share to raise up to approximately \$583,209 (before expenses of the Offer).

The Offer is fully underwritten by GTT Ventures Pty Ltd (an unrelated party), and Richard Diermajer and Ron Smit (who are Directors of the Company) (**Underwriters**), meaning that all New Shares under the Offer will be issued to the Underwriters to the extent that Eligible Shareholders do not take up their Entitlements. This may result in the Underwriters holding up to approximately 37.2% in the Company. Please refer to section 1.9 for further information.

The Company intends to apply the funds raised from the Offer to fund ongoing exploration of its current mineral interests, continue to pursue joint venture opportunities for its resource projects, exploration of new business opportunities and general working capital. The cash costs of the Offer will be approximately \$35,000.

<b>Use of Funds</b>	<b>\$</b>
Expenses of the Offer	35,000
Exploration expenditure (including joint venture opportunities for its resource projects)	300,000
Identify and evaluate new resource and non-resource project opportunities	150,000
Additional working capital	98,209
Total funds applied	<u>583,209</u>

Notes:

1. The above use of funds table assumes that all the New Shares under the Offer are issued.
2. General working capital includes corporate administration and operating costs and may be applied to directors fees, ASX and share registry fees, legal and tax, audit and corporate advisory fees, insurance and travel costs.
3. The Company intends to continue to identify and evaluate new project opportunities which includes resource and non-resource opportunities. The costs include estimated due diligence costs on such opportunities.
4. This table is a statement of our proposed application of the funds raised as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

As at the date of this Offer Document, the Company has on issue:

<b>Shares</b>	<b>Number</b>
Listed ordinary fully paid shares	<u>194,403,264</u>
<b>Options</b>	<b>Number</b>
Nil	Nil
Total Options on issue at completion of the Offer	<u>Nil</u>

New Shares are fully paid ordinary shares which upon issue will rank equally with existing Shares on issue.

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Where the determination of the Entitlement of any Eligible Shareholder results in a fraction such fraction will be rounded down to the nearest whole number.

### 1.2 Terms and conditions of New Shares

The New Shares issued under this Offer Document will be on the same terms and conditions as the ordinary fully paid Shares in the Company currently on issue.

### 1.3 Effect of the Offer on the Capital Structure and Financial Position of the Company

The capital structure of the Company following completion of the Offer (if fully subscribed) is summarised below:

Shares	Number
Shares on issue at the date of the Offer	194,403,264
New Shares now offered under the Offer	64,801,088
Total Shares on issue at completion of the Offer	259,204,352
Options	Number
Nil	Nil
Total Options on issue at completion of the Offer	Nil

1. The Shares on issue at the date of the Offer include the 25,356,947 Shares issued by the Company as a placement to exempt investors (under section 708 of the Corporations Act (2001) as announced to the ASX on 13 August 2015.

The Company's cash reserves following completion of the Offer, assuming the Offer is fully subscribed, will increase by approximately \$583,209, being the gross proceeds of the Offer, less the costs of the Offer.

### 1.4 Timetable

Event	Date
<b>Announcement of Rights Issue, Appendix 3B, Cleansing Notice and Offer Document</b>	26 August 2015
<b>Notice Sent to Security Holders</b>	26 August 2015
<b>Ex Date</b> (date from which securities commence trading without the entitlement to participate in the Offer)	28 August 2015
<b>Record Date</b> (date for determining entitlements of eligible shareholders to participate in the Offer as at 5:00pm (WST))	1 September 2015
<b>Offer Document Dispatched to Shareholders</b> (expected date of dispatch of offer document, entitlement and acceptance forms)	2 September 2015
<b>Rights Issue Opens</b>	2 September 2015
<b>Closing Date* 5pm (WST)</b>	16 September 2015
<b>New Shares quoted on a deferred settlement basis</b>	17 September 2015
<b>ASX Notified of Shortfall</b>	18 September 2015
<b>Issue Date**</b>	22 September 2015
<b>Dispatch Holding Statements**</b>	22 September 2015
<b>Issue of Shortfall Shares to Underwriters</b>	23 September 2015

\*Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Securities.

\*\* Dates are indicative only

## 1.5 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer was determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document. Fractional Entitlements will be rounded down to the nearest whole number.

### **Acceptance of Entitlement in Full**

If you wish to take up all of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

### **Partial Acceptance of Entitlement**

You may accept a lesser number of New Shares should you wish to take up only part of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

Please refer to sections 1.7 and 2 of this Offer Document for further information.

## 1.6 Directors' Participation

The relevant interest of each of the Directors in the Securities of the Company as at the date of the Offer Document together with their respective Entitlement is set out in the table below.

Director	Existing Shares	Entitlement to New Shares	Entitlement Monies
Richard Diermayer	10,361,413	3,453,804	\$31,084.24
Ron Smit	9,407,526	3,135,842	\$28,222.56
Ray Muskett	4,149,451	1,383,150	\$12,448.35

Notes:

1. The Directors have advised the Company that they intend to take up their full Entitlement.
2. The above table does not take into consideration any Shares received by Richard Diermayer or Ron Smit pursuant to the Underwriting Agreement outlined in Section 1.9 below.

## 1.7 No Excess Entitlement Facility

If you decide not to accept all or part of your Entitlement pursuant to the Offer Document, you are not required to take any action under this section.

There is no Excess Entitlement Facility as part of this Offer.

## 1.8 No Shortfall Share Facility

Subject to the Corporations Act and Listing Rules, the Directors reserve the right to deal with, at their absolute discretion the New Shares which are not taken up by Eligible Shareholders under the Offer (**Shortfall Shares**).

There is no Shortfall facility as part of the Offer. Neither Eligible Shareholders nor any other parties may apply for Shortfall.

Subject to the terms of the Underwriting Agreements (see section 1.9), the Directors reserve the right to place the Shortfall Shares at their discretion within 3 months following the Closing Date of the Offer

However, the Directors and any related parties are unable to be issued Shortfall Shares due to restrictions under the Corporations Act and Listing Rules. Accordingly, no Shortfall Shares will be issued to the Directors or any related parties.

## 1.9 Underwriting

The Offer is fully underwritten by the Underwriters, being GTT (and unrelated party of the Company) and Mr Richard Diermajer and Mr Ron Smit (Directors of the Company). The Company has entered into separate Underwriting Agreements with each of these parties, the material terms of which are summarised below, together with the potential effect of the Underwriting Agreement on control of the Company:

- (a) The Underwriters have agreed to underwrite the following amounts of New Shares under the Offer:
  - (i) in respect of GTT, sixty percent of the total amount of the Shortfall Shares (being up to a maximum of 38,880,653 New Shares to raise \$349,925.88);
  - (ii) in respect of Mr Richard Diermajer, twenty percent of the total amount of the Shortfall Shares (being up to a total amount of 12,960,218 New Shares to raise \$116,641.96); and
  - (iii) in respect of Mr Ron Smit, twenty percent of the total amount of the Shortfall Shares (being up to a total amount of 12,960,218 New Shares to raise \$116,641.96).
- (b) The Company will pay GTT an underwriting fee of 6% (plus GST) of the total value of the Shortfall Shares acquired by GTT (or its nominee) pursuant to the Underwriting Agreement.
- (c) No fees will be paid by the Company to Mr Richard Diermajer or Mr Ron Smit in respect of their underwriting services.
- (d) The Company will notify the Underwriters of the Shortfall after close of the Offer. The Underwriters must within 14 days from the date of this notification lodge, or cause to be lodged, valid applications forms for their respective proportion of the Shortfall Shares.
- (e) The Underwriters may terminate their respective Underwriting Agreement if any of the following occur:
  - (i) the Company is in material default of any of the terms and conditions of this Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement (in any material respect);
  - (ii) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related body corporate (as defined in the Corporations Act);
  - (iii) the Company suspends payment of its debts generally;
  - (iv) an event of insolvency (as defined in the Underwriting Agreement) occurs in respect of the Company or a related body corporate (as defined in the Act); or
  - (v) in the event that the ASX 200 (XAO) drops more than 20% from the date of this Underwriting Agreement until the date that GTT is notified of the Shortfall.
- (f) The Underwriters may, at their own discretion, enter into sub-underwriting agreements with third parties.
- (g) The Underwriters' current shareholding and potential interest in the Company following the Offer is set out below:

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	GTT	Richard Diermajer	Ron Smit	Total
Shares held prior to Offer	4,000,000	10,361,413	9,407,526	23,768,939
% holding prior to Offer	2.05%	5.33%	4.84%	12.22%
% holding following the Offer assuming there are no Shortfall Shares issued to the Underwriters	2.05%	5.33%	4.84%	12.22%
% holding following the Offer assuming 75% of New Shares are subscribed for	5.80%	6.58%	6.09%	18.47%
% holding following the Offer assuming 50% of New Shares are subscribed for	9.55%	7.83%	7.34%	24.72%
% holding following the Offer assuming 25% of New Shares are subscribed for	13.30%	9.08%	8.59%	30.97%
Maximum number of New Shares which may be issued pursuant to the Underwriting Agreements	38,880,653	12,960,218	12,960,218	68,801,088
Maximum % holding following the Offer assuming all the New Shares are issued to the Underwriters	17.05%	10.33%	9.84%	37.22%

### 1.10 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

The Company has determined, in reliance of ASX Listing Rule 7.7.1, that it would be unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

- (a) the small number of Ineligible Shareholders;
- (b) the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- (c) the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Offer is not being extended to any Shareholders outside Australia and New Zealand unless those Shareholders would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Offer.

Where this Offer Document has been dispatched to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Offer, this Offer Document is provided for information purposes only.

### 1.11 No Appointment of Foreign Holder Nominee

The Company will not be appointing a foreign holder nominee.

### 1.12 Nominees, Trustees and Custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations. Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas should seek independent advice as to how they should proceed.



### **1.13 No rights trading**

The rights to Securities under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for Securities under the Offer to any other party. If you do not take up your Entitlement to Securities under the Offer by the Closing Date, the Offer to you will lapse.

### **1.14 Opening and Closing Dates**

The Offer opens on the Opening Date, being 2 September 2015. The Company will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

### **1.15 Issue and Dispatch**

The expected dates for issue of Securities offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in section 1.4 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

### **1.16 ASX Listing**

Application has been made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription. Issues of New Shares under the Offer will only be made after permission for their quotation on the ASX has been granted.

### **1.17 CHESS**

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares issued to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **1.18 Taxation Implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax advisor in connection with subscribing for Securities under this Offer Document.

### **1.19 Risk Factors**

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3 of this Offer Document.

### **1.20 Enquiries concerning Offer Document**

Enquiries concerning the Entitlement and Acceptance Form can be made by contacting Advanced Share Registry Services on +61 8 9389 8033.

Enquiries relating to this Offer Document should be directed to the Company on +61 8 9382 1596.

### **1.21 Governing law**

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Forms are governed by the laws applicable in Western Australia. Each applicant for Securities under this Offer Document submits to the non-exclusive jurisdiction of the courts of Western Australia.

### **1.22 Entire agreement**

The terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in it is to the exclusion of all prior representations, undertakings and agreements between the Company and you.

## 2 ACTION REQUIRED BY SHAREHOLDERS

### 2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
  - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
  - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form or follow the instructions for BPAY set out in the Entitlement and Acceptance Form;
- (b) if you only wish to accept part of your Entitlement:
  - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque for the appropriate amount or follow the instructions for BPAY set out in the Entitlement and Acceptance Form;
- (c) if you do not wish to accept any part of your Entitlement, you are not obliged to do anything.

### 2.2 Payment by Cheque – Australia and New Zealand Eligible Shareholders

All cheques must be drawn on an Australian Bank or Bank Draft made payable in Australian currency to “**Falcon Minerals Limited**” and crossed “**Not Negotiable**”.

Your completed Entitlement and Acceptance Form, together with your cheque, must be forwarded to:

Advanced Share Registry  
PO BOX 1156  
Nedlands WA 6909

Or hand-delivered  
Advanced Share Registry  
110 Stirling Highway Nedlands WA 6009

### 2.3 Payment by BPay – Australia and New Zealand Eligible Shareholders

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. **Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.**

Completed Entitlement and Acceptance Forms must be received no later than 5.00pm (WST) on the Closing Date. **Please note that payment via BPAY must be received no later than 5.00pm WST on 16 September 2015.** Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

## 3 RISK FACTORS

### 3.1 General

The Securities offered under this Offer Document should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Securities will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

Mineral exploration, development and mining activities are high-risk undertakings and there can be no assurance that any exploration or development activity in regard to the Company's current properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource. Mineral exploration, development and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which by their nature are subject to a number of inherent risks, including the following:

### 3.2 Exploration, geological and development risks

Mineral exploration and development is a speculative and high risk activity that requires large amounts of expenditure over extended periods of time and may be impeded by circumstances and factors beyond the Company's control. The Company's ability to succeed in this process involves (amongst other things):

- discovery and proving-up, or acquiring, an economically recoverable mineral resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases of a mineral exploration project;
- securing and maintaining title to such mineral exploration projects;
- obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases of the project; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that forthcoming exploration programmes, or subsequent exploration programmes for its Colluraddie Project and Saxby Project tenements (including for copper, gold and nickel) or any other exploration projects that may be acquired in the future, will result in the realisation of the Company's objectives such as the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. Further, conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

### 3.3 Operational & technical risks

The operations of the Company may be affected by various factors, including but not limited to:

- failure to locate or identify mineral deposits;
- failure to achieve predicted grades in exploration and mining;

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- operational and technical difficulties encountered in mining;
- insufficient or unreliable infrastructure, such as power, water and transport;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction costs;
- adverse weather conditions;
- industrial and environmental accidents;
- industrial disputes and labour shortages; and
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

### 3.4 Tenure risks

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions that must be complied with. The Company's project tenements are currently in good standing, however the Company could lose title to, or its interest in, its mining tenements if conditions of grant are not met or if expenditure commitments are not satisfied.

### 3.5 Native title and heritage risks

The Company's tenements are subject to common law and native title rights of indigenous Australians. Legitimate native title rights are recognised and protected under the Native Title Act 1993 (Cth) (Native Title Act). Further, certain areas containing sacred sites or sites of cultural significance to indigenous people are also protected under state legislation. The Company's ability to utilise this land and to conduct its exploration activities will be subject to such terms and conditions as the Company may achieve through negotiations with traditional owners or by legal determination.

### 3.6 Future capital needs and additional funding

The funds raised by the Offer will be used to carry out the Company's objective as detailed in this Offer Document and the Company's announcements to ASX. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurances can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

Section 1.1 outlines how the Company intends to use funds raised under the Offer.

### 3.7 Exploration

Investors should understand that resource exploration and development is by its nature a high risk undertaking. There can be no assurance that the Company's exploration of its Colluraddie Project and Saxby Project tenements (including for copper, gold and nickel) or any other exploration projects that may be acquired in the future will result in the discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

### **3.8 General Economic Climate**

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on opening costs, commodity prices and stock market prices. The Company's future revenues and Share price may be affected by these factors, as well as by fluctuations in the price of gold, nickel or other minerals, which are beyond the Company's control.

### **3.9 Commodity price fluctuations**

The Company is seeking to develop projects which will be reliant on the prices of various commodities including copper, gold and nickel. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

### **3.10 New Project Risk**

As part of its business strategy, the Company may make acquisitions of or significant investments in other resource or non-resource projects. Projects may be located in Australia or overseas. Should a suitable new business opportunity be identified, it will then need to be assessed for its technical, legal and commercial suitability. The Directors intend to consider whether there is a favourable risk-reward equation and whether an asset or project has quality management in place or has the ability to attract such management. There is no guarantee that any proposed acquisition of a new business or project will be completed or will be successful. Identification of a business or a project can take considerable time and consume significant cash resources.

### **3.11 Sharemarket Conditions**

The market price of the Company's Securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

### **3.12 Environment Risks**

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

### **3.13 Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Offer Document. Therefore, the Securities offered pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital of the market value of the Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

## 4 DEFINED TERMS

**Applicant** refers to a person who submits an Entitlement and Acceptance Form.

**Application** refers to the submission of an Entitlement and Acceptance Form.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Closing Date** means 5.00pm WST on 16 September 2015.

**Company** means Falcon Minerals Limited (ACN 009 256 535).

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company.

**Eligible Shareholder** means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia or New Zealand or who are otherwise eligible to take up the Offer.

**Entitlement** means the entitlement to subscribe for New Shares under this Offer, and **Entitlements** has a corresponding meaning.

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Offer Document.

**GTT** means GTT Ventures Pty Ltd.

**Ineligible Shareholder** means a Shareholder who does not satisfy the criteria of an Eligible Shareholder.

**Listing Rules** means the Listing Rules of the ASX.

**New Share** means a new Share proposed to be issued pursuant to this Offer.

**Offer** means the offer of Securities offered under this Offer Document.

**Offer Document** means this Offer Document dated 26 August 2015.

**Opening Date** means 2 September 2015.

**Option** means an option to acquire a Share in the capital of the Company.

**Record Date** means 5.00 pm WST on 1 September 2015.

**Securities** means the New Shares offered under this Offer Document.

**Share** means an ordinary fully paid share in the capital of the Company.

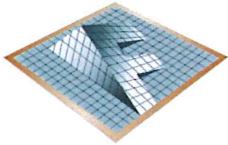
**Shortfall Shares or Shortfall** means those Securities under the Offer not applied for by Shareholders under their Entitlement.

**Shareholder** means a holder of Shares.

**Underwriters** means GTT, Ron Smit and Richard Diermajer.

**Underwriting Agreements** means the underwriting agreements entered into by the Company and the Underwriters, as summarised in section 1.9.

**WST** means Australian Western Standard Time.



**ENTITLEMENT AND ACCEPTANCE FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

Sub-Register	
HIN / SRN	
Number of Eligible Shares held as at the Record Date, 5.00pm WST 1 September 2015	
Entitlement to New Shares on 1 Share for every 3 Shares held basis	
Amount payable on full acceptance at \$0.009 per New Share	

A non-renounceable rights issue of approximately 64,801,088 new Shares at \$0.009 per Share, on the basis of 1 new Share for every 3 Shares held by Shareholders as at the Record Date, to raise up to approximately \$583,209 under the Offer Document.


**NON-RENOUNCEABLE ENTITLEMENT ISSUE CLOSING 5.00PM WST ON 16 SEPTEMBER 2015.**

To the Directors  
FALCON MINERALS LIMITED

1. I/We the above mentioned, being registered at 5:00 pm (WST) on 1 September 2015 as the holder(s) of Ordinary Shares in your Company hereby accept the below mentioned Shares in accordance with the enclosed Offer Document;
2. By submitting this Entitlement and Acceptance Form, I/we represent and warrant that I/we have read and understood the Offer Document to which this Entitlement and Acceptance Form relates and declare that this Application is completed and lodged according to the Offer Document and the instruction on the reverse of this Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate.
3. I/We agree to be bound by the constitution of Falcon Minerals Limited and agree to the terms and conditions of the Offer under the Offer Document. I/We represent and warrant that I/we have not relied on any other information provided by or on behalf of the Company other than as set out in the Offer Document when making my/our decision to invest.
4. I/We hereby authorise you to place my/our name(s) on the registers of shareholders in respect of the number of New Shares allotted to me/us.

**RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE NEW SHARES BEING OFFERED.**

ENTITLEMENT	
Number of New Shares applied for <i>(being not more than the Entitlement shown above)</i>	Amount Payable (C) * \$0.009
	\$

METHOD OF ACCEPTANCE					
You can apply for New Shares and make your payment utilising either cheque/bank draft or BPAY® (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.					
<input type="checkbox"/>	Please enter cheque or bank draft details	Drawer	Bank	Branch	Amount
					\$
OR					
<input type="checkbox"/>		You can pay by BPAY®. If you choose to pay by BPAY®, you do not need to return this Entitlement and Acceptance Form. Please refer overleaf for details.			

CONTACT DETAILS	
Name:	<input type="text"/>
Telephone:	<input type="text"/>
Email:	<input type="text"/>

NOTE: Cheques should be made payable to "FALCON MINERALS LIMITED", crossed "NOT NEGOTIABLE" and forwarded to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909 to arrive no later than 5.00pm (WST) on 16 September 2015.

**PLEASE REFER OVERLEAF FOR INSTRUCTIONS**



# FALCON MINERALS LIMITED

REGISTERED OFFICE: Suite 1, 245 Churchill Avenue, Subiaco, WA, AUSTRALIA, 6008  
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia 6009

## EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares which you are entitled to accept.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each New Share is \$0.009.

## APPLICATION INSTRUCTIONS

### Payment Details

You can apply for New Shares by utilising the payment options detailed below. There is no requirement to return this Entitlement and Acceptance Form if you are paying by BPAY®. By making your payment using either BPAY® or by cheque/bank draft, you confirm that you agree to all of the terms and conditions of the Falcon Minerals Limited Entitlement Offer as outlined on this Entitlement and Acceptance Form and within the accompanying Offer Document.

Your cheque/bank draft should be made payable to "FALCON MINERALS LIMITED" in Australian currency, crossed "Not Negotiable" and drawn on an Australian branch of a financial institution. Please complete cheque/bank draft details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s)/bank draft(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected.

If the amount you pay is more than the amount payable for your full Entitlement, the Directors reserve the right to reject any application for Options that is not made in accordance with the terms of the Prospectus or the instructions on the Entitlement form. Any Application Monies received for more than your Entitlement will be refunded as soon as practicable without any interest. The refund method will be at the discretion of the Company.

### Contact Details

Please enter your contact details where requested overleaf. These details will only be used in the event that the Share Registry has a query regarding this Entitlement and Acceptance Form.

### Lodgement of Application

If you are applying for New Shares and your payment is being made by BPAY®, you do not need to return this Entitlement and Acceptance Form however you are encouraged to return it to the Share Registry for reconciliation purposes – in that case you can post or send by facsimile (details below). Your payment must be received by no later than 5.00pm WST on 16 September 2015. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque/bank draft, your Application must be received by the Share Registry by no later than 5.00pm WST on 16 September 2015. You should allow sufficient time for this to occur. Please return your Entitlement and Acceptance Form with cheque/bank draft attached.

Neither the Share Registry nor the Company accepts any responsibility if you lodge the Entitlement and Acceptance Form at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by the Share Registry, as registrar for the securities' issuer, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to the Share Registry's related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by the Share Registry, or you would like to correct information that is inaccurate, incorrect or out of date, please contact the Share Registry. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by the securities' issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting the Share Registry, using the details provided on this form.

**If you have any enquiries concerning this Entitlement and Acceptance Form, please contact the Share Registry on telephone +61 8 9389 8033 or fax +61 8 9262 3723.**



### Telephone & Internet Banking – BPAY®

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: [www.bpay.com.au](http://www.bpay.com.au).

### By Mail

Falcon Minerals Limited  
c/- Advanced Share Registry Ltd  
PO Box 1156  
Nedlands WA 6909

or

### Hand Delivered

110 Stirling Highway  
Nedlands WA 6009