



FALCON
MINERALS LIMITED

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26 August 2015

Dear Shareholder,

NOTICE TO SHAREHOLDERS – NON-RENOUNCEABLE RIGHTS ISSUE

Falcon Minerals Limited (**Company**) announced on 26 August 2015 a pro-rata non-renounceable rights issue of fully paid ordinary shares in the capital of the Company (**New Shares**) on the basis of (1) New Share for every three (3) existing shares (**Rights Issue**) held at the record date of 1 September 2015 (**Record Date**).

The Rights Issue is non-renounceable and is available to all eligible shareholders registered on the Record Date as detailed in the timetable below. Please note that shareholders at the Record Date that have an address registered outside of Australia or New Zealand may not be eligible to participate in the Rights Issue.

Shares under the Rights Issue will be offered at 0.9 cents per New Share. The maximum number of New Shares which may be issued under the Rights Issue is 64,801,088 to raise approximately \$583,209 (before expenses, based on the current capital structure of the Company).

New Shares issued under the Rights Issue will rank equally with existing shares and the Company will apply for official quotation of the New Shares.

An offer document containing your entitlement will be sent to you on the date referred to in the timetable below.

Shareholder approval is not required in relation to the Rights Issue. There will be no deferred settlement of the sale of shares offered under the pro-rata offer. Trading in the New Shares will commence on the first business day following dispatch of the holding statements.

A notice under section 708AA (2) (f) of the Corporations Act and an offer document (**Offer Document**) have been lodged with the ASX on 26 August 2015 in respect of the Rights Issue. The Offer Document is available on the ASX website and will be mailed to shareholders on 2 September 2015. However, the Offer Document will not constitute an offer in any place in which or to any person to whom it would be unlawful to make such an offer. Accordingly, it is the responsibility of non-resident applicants to obtain all necessary approvals for the allotment and issue to them of securities pursuant to the Offer Document.

The purpose of the Rights Issue is to raise approximately \$583,209 (before expenses of the Rights Issue). The Company intends to apply the funds raised from the Rights Issue as follows:

- a) meet costs of the Rights Issue,
- b) to fund ongoing exploration of the Company's mineral assets (including continuing to pursue joint venture opportunities for its resource projects);
- c) identify and evaluate new resource and non-resource project opportunities; and
- d) general working capital.

The Offer is fully underwritten by GTT Ventures Pty Ltd (an unrelated party of the Company), and directors Richard Diermajer and Ron Smit. Full details of the underwriting arrangements and the potential impact on the Company are outlined in the attached Offer Document. Refer to Section 1.9 of the Offer Document for details regarding the terms of the Underwriting Agreement.

The total number and class of all securities quoted on ASX (including the maximum number of New Shares to be issued under the Rights Issue) is as follows:

<i>On Issue and Quoted</i>		
Number	Ordinary Shares	Options
On Issue before Rights Issue	194,403,264	Nil
New Shares Issued under Rights Issue (if fully subscribed)	64,801,088	Nil
Total	259,204,352	Nil

The timetable for the Rights Issue is as follows:

Event	Date
Announcement of Rights Issue, Appendix 3B, First Cleansing Notice and Offer Document	26 August 2015
Notice Sent to Security Holders	26 August 2015
Ex Date (date from which securities commence trading without the entitlement to participate in the Rights Issue)	28 August 2015
Record Date (date for determining entitlements of eligible shareholders to participate in the Rights Issue)	1 September 2015
Offer Document Dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	2 September 2015
Rights Issue Opens	2 September 2015
Closing Date* 5pm (WST)	16 September 2015
New Shares quoted on a deferred settlement basis	17 September 2015
ASX Notified of Undersubscriptions	18 September 2015
Issue Date**	22 September 2015
Second Cleansing Statement lodged with ASX (under section 708A (5))	22 September 2015
Dispatch Holding Statements**	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 New Shares.*

***Dates are indicative only.*

Ron Smit
Managing Director