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# FALCON MINERALS LIMITED

## ACN 009 256 535

# NOTICE OF ANNUAL GENERAL MEETING

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Date of Meeting: Thursday 19th November 2015

Time of Meeting: 10.00am WST

Place of Meeting: Board Room, Calder Roth & Co  
Level 2, 10 Outram Street  
WEST PERTH WA 6872

The Falcon Minerals Limited 2015 Annual Report to Shareholders is available online at

**[www.falconminerals.com.au](http://www.falconminerals.com.au)**

*This notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.*

*Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 9321 7277*

# Notice of Annual General Meeting

Falcon Minerals Limited ACN 009 256 535

Notice is given that the Annual General Meeting (AGM) of Shareholders of Falcon Minerals Limited (the Company) will be held at the office of Calder Roth & Co, Level 2, 10 Outram Street, West Perth WA on Thursday 19<sup>th</sup> November 2015 at 10.00am (Western Standard Time) ("**Meeting**").

Members unable to attend the AGM are invited to vote by proxy on the resolutions to be considered at the meeting.

The Explanatory Statement to this Notice of AGM provides instructions on how to vote (including how to vote by proxy) and additional information on matters to be considered at the AGM.

Terms and abbreviations used in this Notice of AGM and Explanatory Statement are defined in the Glossary.

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## Business of the Annual General Meeting

### Financial Statements and Reports

To receive and consider the financial statements for the Company and the reports of the directors and auditor for the financial year ended 30 June 2015 as set out in the 2015 Annual Report to Shareholders.

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### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

*"That the Remuneration Report as set out in the 2015 Annual Report to Shareholders for the year ended 30 June 2015 be adopted."*

The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies how the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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### Resolution 2 - Re-election of Mr Richard Diermajer

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, Mr Richard Diermajer, being a director of the Company who retires in accordance with rule 13.2 of the Company's Constitution, and being eligible, be re-elected as a director of the Company."*

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### Resolution 3 – Approval to Refresh the Company's 15% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 25,356,947 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Resolution 4 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

***"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 over a 12 month period on the terms and condition set out in the Explanatory Statement."***

**Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit (and any associates of such a person), except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Dated 19 October 2015, By Order of the Board**



**Dean Calder**  
Company Secretary

# Notes and Voting Instruction

## **YOUR VOTE IS IMPORTANT**

The business of the AGM affects your shareholding and your vote is important.

## **VOTING IN PERSON**

To vote in person, attend the AGM on the date and at the place of Meeting.

## **VOTING BY PROXY**

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below:

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the Resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the Meeting at which the Resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-Chair proxy to Chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a Meeting of the Company's members; and
- the appointed proxy is not the Chair of the Meeting; and
- at the Meeting, a poll is duly demanded on the Resolution; and
- either of the following applies:
  - o the proxy is not recorded as attending the Meeting;
  - o the proxy does not vote on the Resolution,

the Chair of the Meeting is taken, before voting on the Resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the Meeting.

## **ENTITLEMENT TO VOTE**

The Board has determined that, for the purposes of the AGM (including voting at the AGM), members are those persons who are the registered holders of shares at 5.00pm (WST) on Tuesday, 17 November 2015.

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# EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of Shareholders of Falcon Minerals Limited in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the office of Calder Roth & Co, Level 2, 10 Outram Street West Perth WA on Thursday 19<sup>th</sup> November 2015 at 10.00am (WST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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## 1. Financial Statements and Reports

The Corporations Act requires the Financial Report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report to be laid before the AGM.

There is no requirement either in the Corporations Act or in the Company's Constitution for members to approve the Financial Report, the Directors' Report or the Auditor's Report.

Members will have a reasonable opportunity at the AGM to ask questions and make comments on these Reports and on the business and operations of the Company. Members will also be given a reasonable opportunity to ask the auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report.

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## 2. Resolution 1 – Adoption of Remuneration Report

### 2.1 General

The Corporations Act requires that at a listed Company's Annual General Meeting, a Resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for a financial year.

The Chair of the Meeting must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

### 2.2 Voting consequences

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2016 Annual General Meeting, the Company will be required to put to Shareholders a Resolution proposing the calling of an Extraordinary General Meeting to consider the appointment of Directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Extraordinary General Meeting (**Spill Meeting**) within 90 days of the second Annual General Meeting. All of the Directors who were in office when the Company's 2016 Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for the financial year ending 30 June 2015.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

## 2.4 Proxy Restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:***

***You must direct your proxy how to vote on this Resolution.*** Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member), or if you appoint any other person as your proxy:***

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

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## 3. Resolution 2 – Re-election of Director – Mr Richard Diermajer

Article 13.2 of the Constitution requires that one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt) must retire at each AGM. Article 13.2 of the Constitution states that a Director who retires under Article 13.2 is eligible for re-election.

In accordance with the Constitution, Mr. Richard Diermajer will retire by rotation and seek re-election. Details of the qualifications and experience of Mr. Diermajer are in the Financial Report.

The Board believes that Mr. Diermajer has performed the duties and responsibilities of a Non-Executive Director diligently and professionally, in the best interests of all Shareholders.

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## 4. Resolution 3 – Approval to Refresh the Company’s 15% Placement Capacity

### 4.1 General

On 18 August 2015, the Company issued 25,356,947 ordinary Shares at an issue price of \$0.009 per Share to raise approximately \$228,212 pursuant to the Company's 15% capacity in accordance with ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 25,356,947 Shares **(Ratification)**.

ASX Listing Rule 7.1 provides that a Company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a Company in a General Meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- a. 25,356,947 Shares were issued;
- b. the issue price was \$0.009 per Share;
- c. the Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- d. the Shares were issued to new investors. GTT Ventures acted as manager to the placement. None of these subscribers are or were related parties of the Company; and
- e. the funds raised from this issue have been and will be used:
  - (i) to fund ongoing exploration on its current mineral interests;
  - (ii) continue to pursue JV opportunities for its resource projects; and
  - (iii) attract new business development activities.

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## 5. Resolution 4 – Approval of 10% Placement Facility

### 5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

The Company is currently undertaking exploration activities at its existing projects and is also seeking to acquire new opportunities. The Company may use the funds raised from the issue of Equity Securities under the 10% Placement Facility on its existing projects and/or acquisition of new opportunities.

The Company's existing projects are the Collurabbie nickel-copper prospect 200km north of Laverton, Western Australia and the Saxby gold prospect 150km north of Cloncurry, Queensland.

### 5.2 Description of Listing Rule 7.1A

#### a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

#### b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has one class of Equity Securities, Shares.

#### c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

#### **$(A \times D) - E$**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

#### d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 259,204,352 Shares and has the capacity to issue:

- (i) No Equity Securities under Listing Rule 7.1; and
- (ii) 16,904,631 Equity Securities under Listing Rule 7.1A.

Subject to shareholder approval under Resolution 4, the actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above). Based on the current fully paid ordinary shares on issue, the approval of Resolution 4 will give the Company the capacity to issue 25,920,435 fully paid ordinary shares in the ensuing 12 month period.

e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A.3 must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days in which trades in the same class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

### 5.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### 5.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) The Equity Securities will be issued under Listing Rule 7.1A.3 at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 Trading Days in which trades in the same class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and



- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**TABLE 1: Examples of Changes to Capital Structure if Shares Issued under the 10% Placement Facility**

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.006 <b>50% decrease in Issue Price</b>	\$0.012 Issue Price	\$0.024 <b>100% increase in Issue Price</b>
259,204,352 Current Variable A	10% Voting Dilution	25,920,435 shares	25,920,435 shares	25,920,435 shares
	Funds Raised	\$155,523	\$311,045	\$622,090
388,806,528 <b>50% increase in Current Variable A</b>	10% Voting Dilution	38,880,652 shares	38,880,652 shares	38,880,652 shares
	Funds Raised	\$233,284	\$466,568	\$933,136
518,408,704 <b>100% increase in Current Variable A</b>	10% Voting Dilution	51,840,870 shares	51,840,870 shares	51,840,870 shares
	Funds Raised	\$311,045	\$622,090	\$1,244,181

**Table 1 has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.  
(ii) The Company has no Listed or Unlisted Options on issue; and that are none are issued prior to any shares issued under the 10% Placement Facility;  
(iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.  
(iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.  
(v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.  
(vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.  
(vii) The issue price is \$0.012, being the closing price of the Shares on ASX on 5 October 2015.

- c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of a new resource asset or investment. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the exploration activities at its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisition) and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- e) The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its 2014 AGM. The Company has not issued any Equity Securities pursuant to this approval. During the 12 month period preceding the date of the Meeting, the Company otherwise issued a total of 90,158,035 fully paid ordinary shares which represents approximately 53.3% of the total diluted number of Equity Securities on issue in the Company on 25 November 2014, which was 169,046,317.

Details are as follows:

18 August 2015 – 25,356,947 fully paid ordinary shares placed to sophisticated investors under section 708 of the Corporations Act (2001) at a price of \$0.009 per share. The shares were issued at a discount of 36% based on the closing price on the ASX on the date of issue (\$0.014).

22 September 2015 – 30,183,589 fully paid ordinary shares issued under a non-renounceable rights issue on the basis of 1 new share for every 3 shares held at a price of \$0.009 per share. The shares were issued at a discount of 31% based on the closing price on the ASX on the date of issue (\$0.013).

5 October 2015 – 34,617,499 fully paid ordinary issued to underwriters as the shortfall from the non-renounceable rights issue at a price of \$0.009 per share. The shares were issued at a discount of 31% per share based on the closing price on the ASX on the date of issue (\$0.013).

All of the funds from the above capital raisings is planned to be used to maintain existing projects, to investigate new acquisitions and opportunities and for general working capital.

- f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## Schedule 1 - GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>\$</b>	means Australian Dollars.
<b>10% Placement Facility</b>	has the meaning given in Section 6.1
<b>10% Placement Period</b>	has the meaning given in Section 6.2 (f)
<b>AGM</b>	Means Annual General Meeting
<b>Annual Report</b>	means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2015.
<b>ASIC</b>	means Australian Securities and Investment Commission.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Auditor's Report</b>	means the auditor's report on the Financial Report.
<b>Board</b>	means the board of Directors of the Company.
<b>Business Day</b>	means: <ul style="list-style-type: none"><li>a. for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and</li><li>b. for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.</li></ul>
<b>Chair or Chairman</b>	means the person appointed to chair the Meeting convened by this Notice.
<b>Closely Related Party</b>	means: <ul style="list-style-type: none"><li>a. a spouse or child of the member; or</li><li>b. has the meaning given in section 9 of the Corporations Act.</li></ul>
<b>Falcon and Company</b>	means Falcon Minerals Limited ACN 009 256 535
<b>Constitution</b>	means the constitution of the Company as at the commencement of the Meeting.
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Director Report</b>	means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company.
<b>Equity Securities</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Statement</b>	means the explanatory statement attached to the Notice.
<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company.
<b>Key Management Personnel</b>	means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Meeting</b>	has the meaning in the introductory paragraph of the Notice.
<b>Notice or Notice of Meeting</b>	means the Notice of Annual General Meeting accompanying this Explanatory Statement
<b>Option</b>	means an option which entitles the holder to subscribe for one Share.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report.
<b>Resolution</b>	means a resolution contained in this Notice.
<b>Schedule</b>	means a schedule to this Notice.
<b>Section</b>	means a section contained in the Explanatory Statement.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of Shares.
<b>Trading Day</b>	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
<b>VWAP</b>	means the volume weighted average share price.
<b>WST</b>	means Australian Western Standard Time, being the time in Perth, Western Australia.

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**Lodge your Proxy Form**

*By delivery: Suite 1, 245 Churchill Avenue, Subiaco, WA 6008*

*By Mail: PO Box 8319, Subiaco East, WA 6008*

*By Fax: +61 8 9382 4637*

# PROXY FORM

Please mark  to indicate your directions

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## Step 1 —> Appoint a Proxy to Vote on Your Behalf

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/s of Falcon Minerals Limited pursuant to my/our right hereby appoint not more than two proxies, appoint

**The Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting and at any adjournment or postponement of that Meeting.

**Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default**

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

**Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.**

Please read the voting instructions overleaf before marking any boxes with

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## Step 2 —> Instructions as to Voting on Resolutions

*The proxy is to vote for or against the Resolutions referred to in the Notice as follows:*

	For	Against	Abstain*
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Richard Diermajer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to Refresh the 15% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

**The Chairman of the Meeting intends to vote all undirected proxies in favour of each Resolution.**

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## Step 3 —> Signature of Shareholder(s) This section must be completed

*Individual or Shareholder 1*

*Sole Director and Sole Company Secretary*

*Shareholder 2*

*Director*

*Shareholder 3*

*Director / Company Secretary*

**Contact Name:** \_\_\_\_\_

**Contact Phone:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Proxy Notes:**

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

**Joint Holding:** where the holding is in more than one name all of the holders must sign.

**Power of Attorney:** if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

**Companies:** a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the office of the Company at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia, or by post to PO Box 8319 Subiaco East, Western Australia, 6008 or facsimile (08) 9382 4637 if faxed from within Australia or +61 8 9382 4637 if faxed from outside Australia), not less than 48 hours prior to the time of commencement of the Meeting (WST).