



Quarterly Report

For the three months ending 30 September 2015

ASX Release: 30 October 2015

Summary & Highlights for the Quarter

- Capital raising completed via a Placement and Rights Issue to raised \$811,421 (before costs). Shares on issue now 259M. Funds to be directed towards maintaining existing mineral projects, to investigate new acquisitions and opportunities and for general working capital.
- Mandate established with GTT Ventures Pty Ltd (GTT Ventures), a specialist Corporate Advisory and Venture Capital Investment firm, to identify new business opportunities for the Company's consideration. GTT Ventures managed the Placement and participated as underwriter to the Rights Issue.
- No field work was undertaken on the Collurabbie or Saxby projects. Falcon is seeking to reduce its financial exposure on these projects by farm-outs or other suitable forms of divestment.
- Minjar Gold is considering the development of the Keronima gold deposit to provide feed to its Minjar Gold Plant.
- The managers of the Deleta JV have not reported any field activities.

Falcon Minerals Limited

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ACN: 009 256 535

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Capital Structure

259.2 million shares

Cash at Bank - \$1.33M

Board Members

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

Key Projects

Collurabbie Ni-Cu-PGE (100%)
Massive Ni-Cu-PGE sulphides at the Olympia Prospect. Significant potential remains for additional discoveries.
Seeking JV partner

Saxby Au (100%)
IOCG system with high-grade gold intercepts:
SXDD005: 17m at 6.8g/t Au from 631m
SXDD014: 15m at 9.1g/t Au from 701m
Seeking JV partner



www.falconminerals.com.au

Corporate

Non-resource sector opportunities & Mandate

As previously announced, the Board has broadened its scope of enquiry to include non-resource related projects and investment opportunities and the capital raising will ensure the Company is appropriately financed to pursue such opportunities. In an effort to expedite this process, the Company has entered into a mandate with GTT Ventures, a specialist corporate advisory firm with extensive knowledge in the mining and technology sectors, to identify new business opportunities for the Company's consideration. The funds will also provide the Company working capital to maintain its current mineral interests and continue to pursue JV opportunities for its resource projects.

The Company continues to actively review opportunities in the non-resource sector, but to date no agreement has been reached or arrangement secured which would require market disclosure.

Capital Raising

During the quarter and subsequent to the quarter end, the Company issued 90,158,035 fully paid ordinary shares via a Placement and Rights Issue to raised \$811,421 (before costs). The 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 (to raise \$228,212).

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 (to raise \$271,652).

5 October 2015 (subsequent to quarter end) – 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 (to raise \$311,557).

The number of Fully Paid Ordinary Shares on issue at the date of this report is 259,204,352. There are no Listed Options or Unlisted Options on issue. The top 20 shareholders following the capital raising is shown in the Table below.

Top 20 Shareholders (at 19 October 2015)

Rank	Name of Shareholders	No of shares	%
1	Avon Management Company Pty Ltd	15,072,050	5.81
2	Mounts Bay Investments Pty Ltd	12,959,762	5.00
3	Illawong Investments Pty Ltd	10,602,158	4.09
4	Kempo Capital Pty Ltd	10,156,834	3.92
5	Monex Boom Securities (HK) Ltd	8,492,441	3.27
6	Murdoch Capital Pty Ltd	8,471,647	3.27
7	GTT Ventures Pty Ltd	6,633,333	2.56
8	Lucky Jar Superfund - Smit	6,590,166	2.54
9	Mr Ronald Smit	6,003,005	2.32
10	Ms Natalie C Kazakos	6,000,000	2.32
11	Applabs Technologies Limited	6,000,000	2.32
12	Mr Raymond Muskett	4,002,002	2.25
13	Mr Ronald Smit	3,287,030	1.27
14	Mr Charles W Thomas	3,081,041	1.19
15	S & CJ Pty Ltd	2,740,000	1.06
16	Avon Management Co Pty Ltd	2,666,666	1.03
17	Syracuse Capital Pty Ltd	2,444,444	0.94
18	J P Morgan Nominees Australia Limited	2,236,776	0.86
19	Mr Gregory John Munyard	2,209,333	0.85
20	Allua Holdings Pty Ltd	2,000,000	0.89
	Top 20 largest shareholders	121,648,688	46.93
	Total Shares Issued	259,204,352	100.00

Cash Balance

At the end of the quarter the Company had a cash balance of \$1.33M. This includes \$222,246 banked as part of the shortfall allocation. A further \$89,311 was banked after the end of the quarter related to the shortfall allocation.

2015 Annual Report to shareholders / AGM

The 2015 Annual Report to shareholders was released to the ASX in September and is available at the Company's website. The Annual General Meeting of shareholders will be held at the office of Calder Roth & Co at 10am on Thursday 19th November 2015.

General

During the quarter \$13,000 was spent on exploration activities.

The mining tenements held at the end of the quarter and their location is listed in Table 1.

Mineral Exploration Activities

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

The Windanning Hill Project is 75km southeast of Yalgoo. It consists of two Mining Leases (M59/379 and M59/380) under JV to Minjar Gold Pty Ltd (the operator and manager of the project) and includes the Keronima gold deposit. Falcon has not contributed to mineral exploration on this project for several years; it is diluting and currently holds approximately a 19% Interest.

Minjar Gold is considering the development of the Keronima gold deposit to provide feed to its Minjar Gold Plant. Keronima is a satellite deposit located 30 km south of the Minjar Gold Plant. Details related to the resource base were provided in the June quarterly report. A decision to mine has not been made and the Company will keep the market fully inform as to the outcome of the mining study.

Collurabbie Project, Duketon Belt, Yilgarn Block WA (100% Falcon, seeking JV partner)

The Collurabbie Project is 200 km north of Laverton in the Duketon Greenstone Belt of Western Australia. Falcon and / or its former JV partners have been exploring the project area for more than a decade and have completed airborne and ground geophysical surveys, surface geochemical surveys and a high volume of drilling. The project includes the Olympia and Troy nickel-copper-PGE discoveries and several other nickel and gold prospects and targets.

During the quarter there were no field activities

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

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

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

During the quarter there were no field activities undertaken on the Saxby & Cloncurry Projects. EPM 18313 was surrendered during the quarter bringing to a close the Cloncurry Project.

Deleta Joint Venture, Duketon Greenstone Belt WA (20% Falcon)

Regis Resources Limited is the operator and manager of the JV which began in September 1998. The JV consists of three mining titles. E38/1939 is immediately south of Falcon's Collurabbie Project whilst E38/2005 and M38/1091 are immediately north of Regis's Moolart Well gold mine. Falcon retains a 20% free carried interest to completion of feasibility study.

No field activities were reported by the JV manager.

For further information on Falcon Minerals Limited please contact:



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

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Ronald Smit, Managing Director for Falcon Minerals Limited. Mr Smit is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Smit consents to the inclusion in the report of the matters based on his information, in the form and context in which it appears.

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

Table 1: Summary of mining tenements held at the end of quarter (30 September 2015) and their location

Interest in mining tenements acquired, increased or decreased	Tenement	Location	State	% at beginning of quarter	% at end of quarter	Status / Operator
		EPM 18313	Cloncurry	QLD	100	0

The mining tenements held at the end of the quarter and their location	Tenement	Location	State	% at beginning of quarter	% at end of quarter	Status / Operator
	E38/1986	Collurabbie	WA	100	100	Falcon
	E38/2009	Collurabbie	WA	100	100	Falcon
	M38/974	Collurabbie	WA	100	100	Falcon
	P38/3398	Collurabbie	WA	100	100	Falcon
	E38/2816	Collurabbie	WA	100	100	Falcon
	E38/2817	Collurabbie	WA	100	100	Falcon
	P38/4071	Collurabbie	WA	100	100	Falcon
	P38/4072	Collurabbie	WA	100	100	Falcon
	E38/2912	Collurabbie	WA	100	100	Falcon
	EPM 15398	Saxby	QLD	100	100	Falcon
	E38/2005	Duketon	WA	20	20	Regis Resources
	M38/1091	Duketon	WA	20	20	Regis Resources
	E38/1939	North Duketon	WA	20	20	Regis Resources
	M59/379	Windanning	WA	Gold JV: ~ 19% diluting	~19	Minjar Gold
M59/380	Windanning	WA	Gold JV: ~ 19% diluting	~19	Minjar Gold	

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

FALCON MINERALS LIMITED

ABN

20 009 256 535

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(13)	(13)
(b) development	-	-
(c) production	-	-
(d) administration	(27)	(27)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(32)	(32)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(32)	(32)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(32)	(32)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	644	644
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	644	644
	Net increase (decrease) in cash held	612	612
1.20	Cash at beginning of quarter/year to date	713	713
1.21	Exchange rate adjustments to item 1.20	612	612
1.22	Cash at end of quarter	1,325	1,325

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	25
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

1.23 Directors' salaries, fees and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	55
4.2 Development	-
4.3 Production	-
4.4 Administration	40
Total	95

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	811	6
5.2 Deposits at call	514	707
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,325	713

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM18313	Surrendered	100%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues	25,356,947	25,356,947	0.009	0.009
(b) Decreases through returns of capital, buy-backs, redemptions	30,183,589	30,183,589	0.009	0.009
7.3 +Ordinary securities	224,586,853	224,586,853		Fully Paid
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise Price</i>	<i>Expiry Date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	4,000,000	4,000,000		
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)				
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 29 October 2015

Print name: Dean Calder

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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