



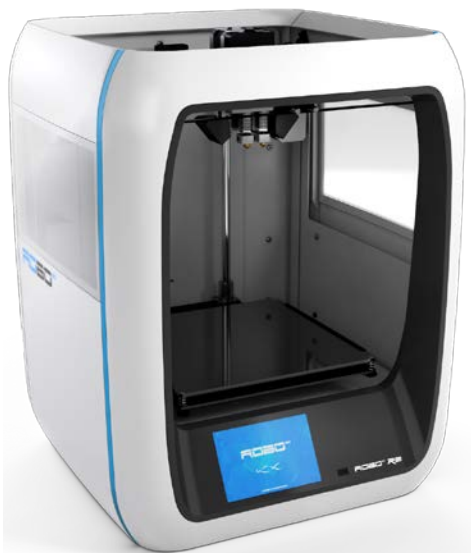
# Quarterly Report

For the three months ending 31 December 2015

ASX Release: 29 January 2016

## Summary & Highlights for the Quarter

- Falcon entered into a binding Term Sheet to acquire 51% ownership of Robo 3D, Inc (**Robo 3D**) via the acquisition of all of the issued shares in Albion 3D Investments Pty Ltd (**Albion 3D**). Robo 3D is a USA-based company founded in 2012 that develops, designs, manufactures and sells 3D printers and associated products to the desktop/consumer segment of the 3D printing industry.
- As announced on 8 December 2015, Robo 3D achieved unaudited revenue of approximately USD\$2.3 million for the 10 months ended October 2015, more than 100% higher than the same period in 2014. An update relating to the performance of Robo 3D for the 2015 calendar year is expected to be released in the next fortnight.
- Subject to completion of the Acquisition of Albion 3D, the Board intends to seek opportunities to divest the Company's existing mineral exploration assets.
- As announced on 23 December 2015, the Company has conditionally sold the Saxby Project to Strategic Energy Resources Limited (Strategic) for 3 million Strategic shares and it retains a 1.5% net smelter return royalty in the event that Strategic commences mining at the Saxby Project.
- No field work was undertaken on the Company's mineral projects.



**Robo 3D Printer - R2 Master**

### *Falcon Minerals Limited*

ASX Code: **FCN**  
ACN: 009 256 535

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Subiaco WA 6008

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### *Capital Structure*

259.2 million shares

### *Cash at Bank - \$0.73M*

### *Board Members*

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

### *Key Projects*

***Pending acquisition of Albion 3D (51% interest in Robo 3D)***  
Develops, designs, manufactures and sells 3D printers

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

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

# Corporate

## Acquisition of Albion 3D Investments Pty Ltd

As announced on 3 December 2015, the Company has entered into a binding Term Sheet to acquire 51% ownership of Robo 3D, Inc (**Robo 3D**) via the acquisition of all of the issued shares in Albion 3D Investments Pty Ltd (**Albion 3D**).

Robo 3D is a USA-based company founded in 2012 that develops, designs, manufactures and sells 3D printers and associated products to the desktop/consumer segment of the 3D printing industry.

The key terms of the agreement are:

### Completed

- Falcon will pay a non-refundable deposit of A\$250,000 to Albion 3D (Paid on 3 December 2015);
- Falcon will advance by way of a loan a further A\$250,000 to Albion 3D (Paid on 11 December 2015);

### Subject to shareholder approval and completion of the Transaction

- Falcon to consolidate all of its existing fully paid ordinary shares on a 1 for 5 basis, from 259,204,352 to 51,840,870 ordinary shares;
- Falcon will issue 108,200,000 fully paid ordinary shares in Falcon (post-consolidation) to vendors of Albion 3D;
- Falcon will undertake a capital raising to raise a minimum of A\$2.25 million at 8 cents per share (post-consolidation) with the ability to take oversubscriptions up to a total of \$5.00 million;
- Falcon will issue 10,000,000 Performance Rights (post consolidation) to nominated proposed Executive Directors of Falcon post completion of the Transaction, which will vest upon certain milestones being achieved;
- Falcon will issue 15,000,000 adviser incentive options (post consolidation) to Forrest Capital (or its nominees), each exercisable at a 12 cents per share (post-consolidation) and expiring 3 years from the date of issue; and
- Falcon will transfer USD\$1.0 million to Robo 3D as part of its acquisition cost of Albion 3D.

Further details of the acquisition and Robo 3D can be found in the Company's announcements to the ASX on:

03 December 2015	Falcon to acquire Robo 3D
04 December 2015	Robo 3D Presentation
08 December 2015	Robo 3D achieves record monthly revenue
15 December 2015	Update regarding Capital Raising
22 December 2015	Robo 3D set to reveal new products at CES
27 January 2016	Robo 3D announces new 3D printer models

As the Transaction will constitute a significant change in the nature and scale of Falcon's activities, the Company will be required to re-comply with the listing requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including preparing a full form prospectus). This re-compliance will be accompanied by a capital raising as noted above to provide additional working capital for the new business. The indicative timetable has been revised since the announcement and is shown below in Table 1.

**Table 1: Indicative Timetable**

Event	Estimated Date
Company lodges NOM with ASIC	17 February 2016
Company dispatches NOM	24 February 2016
Lodgement of Prospectus with ASX and ASIC	29 February 2016
Company must lodge Appendix 1A with ASX	7 March 2016
Offer Period under the Prospectus opens	7 March 2016
General Meeting of the Company	30 March 2016
Suspension of trading of Company's securities	30 March 2016
Closing date for Offer Period under the Prospectus	31 March 2016
Consolidation Record Date	6 April 2016
Completion	13 April 2016
Issue of Shares under the Prospectus	13 April 2016
Anticipated date of re-admission to ASX and suspension of trading of Shares is lifted	4 May 2016

As announced on 8 December 2015, Robo 3D achieved unaudited revenue of approximately USD\$2.3 million for the 10 months ended October 2015, more than 100% higher than the same period in 2014. Furthermore, Robo3D generated monthly revenue of approximately USD\$0.44 million in October 2015, representing more than 80% increase compared to October 2014. An update relating to the performance of Robo 3D for the 2015 calendar year is expected to be released in the next fortnight.

### Capital Raising

On 5 October 2015 (and as previously reported in the September 2015 Quarterly Report), the Company issued 34,617,499 fully paid ordinary shares 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 at 22 January 2016 are shown in the Table below.

### Top 20 Shareholders (at 22 January 2016)

Rank	Name of Shareholders	No of shares	%
1	Avon Management Company Pty Ltd	15,072,050	5.81
2	Illawong Investments Pty Ltd	10,102,158	3.90
3	Monex Boom Securities (HK) Ltd	8,492,441	3.27
4	Lucky Jar Superfund - Smit	6,590,166	2.54
5	Mr Ronald Smit	6,003,005	2.32
6	Mr Raymond Muskett	4,002,002	2.25
7	Mounts Bay Investments Pty Ltd	4,000,000	1.54
8	GTT Ventures Pty Ltd	4,000,000	1.54
9	Kempo Capital Pty Ltd	3,482,000	1.34
10	Berne No 132 Nominees Pty Ltd	3,380,000	1.30
11	Mr Ronald Smit	3,287,030	1.27
12	Mr Robert Turvey	3,035,816	1.17
13	Murdoch Capital Pty Ltd	3,000,000	1.16
14	Mr Justin Laurence Barry	2,750,000	1.06
15	S & CJ Pty Ltd	2,740,000	1.06
16	Avon Management Co Pty Ltd	2,666,666	1.03
17	J P Morgan Nominees Australia Limited	2,091,634	0.81
18	Mr Steven Jan Zielinski & Mrs Karen Lyn Zielinski	2,000,000	0.77
19	Allua Holdings Pty Ltd	2,000,000	0.77
20	Mr Andrew J Blatch & Mrs Caitlin L Blatch	1,960,800	0.76
	<b>Top 20 largest shareholders</b>	<b>90,655,768</b>	<b>34.98</b>
	<b>Total Shares Issued</b>	<b>259,204,352</b>	<b>100.00</b>

### Cash Balance

At the end of the quarter the Company had a cash balance of \$0.73M.

### 2015 Annual Report to shareholders / AGM

The Annual General Meeting of shareholders was held at the office of Calder Roth & Co at 10 am on Thursday 19<sup>th</sup> November 2015. All resolutions were passed.

## Mineral Exploration Activities

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Subject to completion of the Acquisition of Albion 3D, the Board intends to seek opportunities to divest the Company's existing exploration assets or relinquish the licenses.

The Company manages and operates one exploration project, namely the Collurabbie Project. It has an interest in three other projects which are subject to sale or joint venture (Saxby, Windanning Hill & Deleta) and are managed by other parties.

- The **Collurabbie Project** is the Company's most advanced project and contains significant but to date sub-economic nickel mineralisation (Olympia and Troy Prospects). The project is 200 km north of Laverton in the Duketon Greenstone Belt of Western Australia. The Company and 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 Company has a 100% interest in this project with BHPB retaining an option over the off-take rights to any ore or concentrate produced. The Company's intention will be to joint venture or sell the project.
- As announced on 23 December 2015, the Company has conditionally sold the **Saxby Project** (EPM 15398) to Strategic Energy Resources Limited (Strategic) for 3,000,000 fully paid ordinary Strategic shares. It retains a 1.5% net smelter return royalty in the event that Strategic commences mining at the Saxby Project. The project is 165 km north-northeast of Cloncurry in the Gulf Country of northwest Queensland and contains the Lucky Squid gold prospect. The sale is conditional upon the Company obtaining approval from Queensland Department of Natural Resources and Mines for the renewal of EPM 15398 for a further 2 years. A renewal application has been lodged.
- The Company has a diluting interest in the **Windanning Hill Gold Joint Venture** that is located 75km southeast of Yalgoo. It consists of two Mining Leases (M59/379 and M59/380) managed and operated by Minjar Gold Pty Ltd (Minjar Gold) and includes the Keronima gold deposit. 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. The Company currently holds approximately a 19% interest in the joint venture. The Company is not planning to contribute to the on-going exploration.
- Regis Resources Limited is the operator and manager of the **Deleta Joint Venture** which began in September 1998. The project is located within the northern parts of the Duketon greenstone belt (and immediately south of the Company's Collurabbie project) and is considered prospective for gold and nickel. The Company retains a 20% free carried interest to completion of feasibility study.

There were no field activities completed on the Company's project during the quarter.

### General

During the quarter \$82,000 was spent on exploration activities.

The mining tenements held at the end of the quarter and their location is listed in Table 2.

For further information on Falcon Minerals Limited please contact:



**Ron Smit**  
**Managing Director**  
**Phone: 08-9382 1596**  
**Mobile: 0408 095 452**

[rsmit@falconminerals.com.au](mailto:rsmit@falconminerals.com.au)

or visit our website at: [www.falconminerals.com.au](http://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](http://www.falconminerals.com.au) for previous project announcements.

**Table 1: Summary of mining tenements held at the end of quarter (31 December 2015) and their location**

Interest in mining tenements acquired, increased or decreased	Tenement	Location	State	% at beginning of quarter	% at end of quarter	Status / Operator

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

# 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")

31 December 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(82)	(95)
(b) development	-	-
(c) production	-	-
(d) administration	(133)	(160)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(213)</b>	<b>(245)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(250)	(250)
(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	(250)	(250)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(500)</b>	<b>(500)</b>
1.13 Total operating and investing cash flows (carried forward)	(713)	(745)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(713)	(745)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	115	759
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)	-	-
	<b>Net financing cash flows</b>	<b>115</b>	<b>759</b>
	<b>Net increase (decrease) in cash held</b>	<b>(598)</b>	<b>14</b>
1.20	Cash at beginning of quarter/year to date	1,325	713
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>727</b>	<b>727</b>

**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	67
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

1.10 Unsecured loan advanced to Albion 3D. 1.23 Directors' salaries, fees and superannuation.
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**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
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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
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+ 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	-
4.2 Development	-
4.3 Production	-
4.4 Administration	450
<b>Total</b>	<b>450</b>

### 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	208	811
5.2 Deposits at call	519	514
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>727</b>	<b>1,325</b>

### Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.



**Issued and quoted securities at end of current quarter**

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	34,617,499	34,617,499	0.009	0.009
7.3 <b>+Ordinary securities</b>	259,204,352	259,204,352		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <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				
7.11 <b>Debentures</b> <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: 28 January 2016

Print name: Dean Calder

### Notes

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

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+ See chapter 19 for defined terms.