



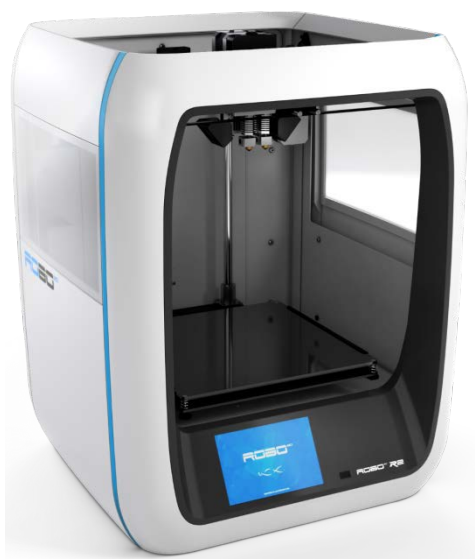
Quarterly Report

For the three months ending 31 March 2016

ASX Release: 29 April 2016

Summary & Highlights for the Quarter

- Significant progress has been made towards the finalisation of the acquisition of 51% ownership of Robo 3D, Inc (**ROBO 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.
- Delays attached to the audit process of ROBO 3D have been rectified. Falcon can report that the audit fieldwork of ROBO 3D has been completed and that the issuance of the ROBO 3D audit report is expected in May 2016. An update on the timetable for re-compliance and re-listing shall be provided in the next week.
- As announced on 10 February 2016, the ROBO 3D business continues to gather momentum, with exceptionally strong year on year revenue growth being achieved, US\$3.47 million for 2015, c. 100% higher than 2014 achieved. An update relating to the performance of Robo 3D for the March 2016 quarter 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.
- No field work was undertaken on the Company's mineral projects.



Robo 3D Printer – R2 Master

Falcon Minerals Limited

ASX Code: **FCN**

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Capital Structure

259.2 million shares

Cash at Bank - \$0.52M

Board Members

Richard Diermajer – 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.

For sale

www.falconminerals.com.au

Corporate

Update on the Acquisition of Albion 3D Investments Pty Ltd

As announced on 3 December 2015, Falcon has agreed to acquire 51% of the share capital of ROBO 3D, Inc (**ROBO 3D**) via the acquisition of 100% of the share capital of Albion 3D Investments Pty Ltd (**Albion 3D**), subject to shareholder approval. 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 outlined in the ASX release dated 3 December 2015 (Falcon to acquire ROBO 3D).

During the quarter the Company made a number of ASX releases associated with the ROBO 3D business. These are summarised below:

- ROBO 3D completed a successful showcasing at the Consumer Electronics Show (**CES**) in Las Vegas, Nevada in early January 2016. The CES is the largest global consumer electronics and consumer technology tradeshow that showcases more than 3,600 exhibiting companies, including manufacturers, developers and suppliers of consumer technology hardware, content, technology delivery systems and more. ROBO 3D was awarded “fourth best product at CES” by renowned technology blog ZDNet (refer to ASX release 27 January 2016).
- In conjunction with the CES, ROBO 3D announced the pending release of two new 3D printer models, the “R2 Master” and the “R2 Mini” which will complement its existing R1+ 3D printer (refer to ASX release 27 January 2016).
- The ROBO 3D business continues to gather momentum, with exceptionally strong year on year revenue growth being achieved, US\$3.47 million for 2015, c. 100% higher than 2014 (refer to ASX release 10 February 2016).
- ROBO 3D is preparing to launch its “R1+” 3D printer model into 45 retail stores of Staples, Inc (**Staples**) at the beginning of May 2016. Staples is one of the largest office supply chain stores in the world, with more than 2,000 stores (over 1,600 in North America) located in 26 countries. This rollout heralds another significant milestone in ROBO 3D’s short history, following on from the launch in October 2015 into 50 retail stores of Best Buy, the largest electronics retailer in the USA (refer to ASX release 22 March 2016).
- The timetable for re-compliance and re-listing has taken longer than expected due to the audit of ROBO 3D commencing later than expected (refer to ASX release 11 March 2016 & 1 April 2016).

Latest news on ROBO 3D

- Falcon can report that the auditors have completed their audit field work on site at ROBO 3D and that the delivery of the audit report on ROBO 3D is expected in May 2016. The Independent Accounting Report should also be finalised in May 2016 and consequently, the Notice of Meeting seeking shareholder approval for the transaction is expected to be despatched in early June 2016. A revised timetable for the completion of the transaction and re-compliance will be provided shortly.
- The March 2016 quarterly revenue figures for ROBO 3D should be released in the next fortnight.

Cash Balance

At the end of the quarter the Company had a cash balance of \$0.52M.

Mineral Exploration Activities

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 Prospect). 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.

Subsequent to the end of quarter the Company surrendered a number of mineral leases. The Company has retained two exploration licences that cover the most prospective ground. The Company's intention will be to joint venture or sell the project.

- The sale of the **Saxby Project** (EPM 15398) to Strategic Energy Resources Limited (Strategic) is unconditional following the renewal of EPM 15398 for a further 2 years. The sale is subject to duties assessment by the QLD Office of State Revenue. It is expected the transaction will be completed in May 2016. The Saxby Project is 165 km north-northeast of Cloncurry in the Gulf Country of northwest Queensland and contains the Lucky Squid gold prospect. Falcon retains a 1.5% net smelter return royalty in the event that Strategic commences mining at the Saxby Project.
- 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 \$10,000 was spent on exploration activities. The mining tenements held at the end of the quarter and their location is listed in Table 1.

For further information on Falcon Minerals Limited please contact:



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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 (31 March 2016) 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 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(10)	(105)
(b) development	-	-
(c) production	-	-
(d) administration	(175)	(335)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	13
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	(182)	(427)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	(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	(23)	(273)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(23)	(523)
1.13 Total operating and investing cash flows (carried forward)	(205)	(950)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(205)	(950)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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)	-	-
	Net financing cash flows	-	759
	Net increase (decrease) in cash held	(205)	(191)
1.20	Cash at beginning of quarter/year to date	727	713
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	522	522

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	44
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

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	-
4.2 Development	-
4.3 Production	-
4.4 Administration	174
Total	174

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	486	208
5.2 Deposits at call	36	519
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	522	727

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 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	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 +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				
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: 26 April 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.