



Quarterly Report

For the three months ending 30 September 2016

ASX Release: 28 October 2016

Summary & Highlights for the Quarter

ACQUISITION OF ALBION 3D

- **Falcon to acquire 100% of Robo 3D:** Falcon and Albion 3D Investments Pty Ltd ("Albion 3D") have renegotiated its proposed transaction in conjunction with the founders of Robo 3D, Inc. ("Robo 3D") such that on completion Falcon will acquire 100% of Robo 3D (previously 51% of Robo 3D). The increase in revenue and printer unit sales over the last year has been very encouraging and to now have full exposure to the upside of the business is considered a very positive development.
- **Shareholders to vote on acquisition:** Shareholders will be asked to vote on a change in the nature and scale of the Company's activity from mineral exploration to consumer electronics (as well as other key resolutions) at the General Meeting on 18 November 2016.
- **Robo 3D launches new 3D printers:** Robo 3D announced in September the exclusive launch of the Robo C2 and Robo R2 smart 3D printers.

SUSPENSION OF SECURITIES

- The Company's securities will remain suspended until the Company completes the Albion 3D transaction.

MINERAL ASSETS

- Subsequent to the end of the quarter, the Collurabbie Project was conditionally sold to Rox Resources Limited for \$25,000 and 7,500,000 fully paid ordinary Rox shares.
- Subsequent to the end of the quarter, the sale of the Company's interest in the Windanning Hill Project was completed.

Falcon Minerals Limited

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Capital Structure

259.2 million shares

Cash at Bank - \$0.12M

Board Members

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

Key Projects

Pending acquisition of Albion 3D (100% 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.

www.falconminerals.com.au

Corporate

Acquisition of Albion 3D Investments Pty Ltd

Falcon and Albion 3D Investments Pty Ltd (“**Albion 3D**”) have renegotiated its proposed transaction in conjunction with the founders of Robo 3D, Inc. (“**Robo 3D**”) such that on completion Falcon will acquire 100% of Robo 3D (previously 51%).

Robo 3D is a USA based designer & manufacturer of desktop 3D printers targeting consumers, prosumers and education markets. For the financial year ended 30 June 2016, Robo 3D generated US\$4.4 million in revenue, an increase of 85% on the prior year.

The key terms of the agreement are outlined in the ASX release dated 8 September 2016 (Falcon to acquire 100% of Robo 3D). Some of the important elements of the transaction are:

- The consolidation of existing Falcon shares on a 1 for 7.143 basis;
- The issue 142,117,294 ordinary shares in Falcon (post consolidation) to the vendors of Albion 3D (which includes the vendors of Robo 3D);
- The issue 13,999,720 Performance Rights (post-consolidation) to executive, management and employees who will be involved in the ongoing development of the Company’s business post-completion; and
- A Public Offer seeking to raise a minimum of A\$4.0 million, and a maximum of \$6.0 million at an issue price of A\$0.10 per share.
- Board changes and a name change to Robo 3D Limited.

General Meeting

The Company has despatch its Notice of General Meeting and shareholders will be asked to vote on the change in the nature and scale of the Company’s activity from mineral exploration to consumer electronics (as well as other key resolutions). The meeting is set for 18 November 2016.

Suspension of Falcon Securities

The Company’s securities will remain suspended until it completes the Albion 3D transaction.

Robo 3D launches new 3D printers

Robo 3D has just launched the brand new compact Robo C2 and the high-performance Robo R2 smart 3D printers on kickstarter. Kickstarter is a platform that facilitates the sale of products to customers with delivery scheduled at a future date (November 2016 for Robo C2 and January 2017 for Robo R2).

Cash Balance & Investments

At the end of the quarter the Company had a cash balance of \$0.12M. Shares held by the Company in other entities are listed in Table 1.

Table 1: Share investments held by Falcon Minerals Limited

Investments	Number of shares held
Kingston Resources Limited (KSN)	91,895
Strategic Energy Resources Limited (SER)	3,000,000

Mineral Exploration Activities

The Company currently manages and operates one exploration project, namely the Collurabbie Project. It has agreed to sell this to Rox Resources Limited (ASX: RXL) subject to obtaining shareholder and regulatory approvals and satisfying a number of other conditions precedents (refer to ASX release: Sale of Collurabbie Project 20/10/2016).

The Company also has an interest in the Deleta Joint Venture which is managed and operated by another party.

- The **Collurabbie Project** consists of two Exploration Licences (E38/2009 & E38/2912) located 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. It contains significant but to date sub-economic nickel mineralisation (Olympia Prospect). The Company has a 100% interest in this project..

During the quarter, the Company commissioned a resource estimation of the Olympia Ni-Cu-PGE mineralisation, resampled drillcore to assess the gold potential of various quartz veined and sulphidic intervals and completed a field review.

An action (plaint) has been lodged against E38/2009 for failing to comply with the expenditure conditions for the year ending 19 October 2016. This is a frivolous and unfounded claim. The Company has met its expenditure commitments and will lodge this along with an operational report to the Department of Mines and Petroleum in November 2016. The Company will defend the claim vigorously.

Subsequent to the end of the quarter the Company announced the conditional sale of the Collurabbie Project to Rox Resources Limited ("Rox", ASX:RXL) for \$25,000 and 7,500,000 fully paid ordinary Rox shares. Completion of the sale is subject to and conditional upon:

- (a) Falcon obtaining all necessary shareholder and regulatory approvals for the sale;
 - (b) the assignment of Falcon's rights and obligations related to a royalty payable to Anketell Pty Ltd on any gold or base metal production at the Project; and
 - (c) the assignment of Falcon's rights and obligations related to an option held by BHP Nickel West over the off-take rights to any ore or concentrate produced at the Project.
- 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 a feasibility study. No field exploration was completed this quarter.
 - Subsequent to the end of the quarter, the sale of the Company's interest in the **Windanning Hill Project** to its joint venture partner Minjar Gold Pty Ltd (Minjar Gold) was completed. A cash consideration of \$112,500 was banked. Falcon retains no interest in the project.

General

During the quarter \$34,000 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 and/or Albion 3D Investments Pty Ltd please contact:

Falcon Minerals

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Albion 3D

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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 2: Summary of mining tenements held at the end of quarter (30 September 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
		M59/379	Windanning ²	WA	Gold JV: ~ 19% diluting	0
	M59/380	Windanning ²	WA	Gold JV: ~ 19% diluting	0	Minjar Gold

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
	E38/2009	Collurabbie	WA	100	100	Falcon
	E38/2912	Collurabbie	WA	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

Note 1: Collurabbie Project subject to Tenement Sale Agreement

Note 2: Subsequent to the end of quarter end, the sale of Windanning Interest to Minjar Gold was completed.

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

FALCON MINERALS LIMITED

ABN

20 009 256 535

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(34)	(34)
(b) development	-	-
(c) production	-	-
(d) staff costs	(29)	(29)
(e) administration and corporate costs	(131)	(131)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(193)	(193)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	311	311
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(193)	(193)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	118	118

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	86	279
5.2 Call deposits	32	32
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	118	311

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
48
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	40
9.2 Development	-
9.3 Production	-
9.4 Staff costs	29
9.5 Administration and corporate costs	100
9.6 Other (Proceeds from the sale of the Windanning JV tenement interest – Funds received subsequent to end of quarter)	(112)
9.7 Total estimated cash outflows	57

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 28 October 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.