

ECLIPSE URANIUM LIMITED

ABN 85 142 366 541

ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable entitlement issue on the basis of one (1) Option for every two (2) Shares held by Shareholders at an issue price of one (1) cent per Option, to raise up to approximately \$353,735 (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES

Lodgement of Prospectus with ASIC	22 June 2011
Notice sent to Shareholders	24 June 2011
Ex Date	27 June 2011
Record Date for determining Shareholder entitlements	1 July 2011
Prospectus despatched to Shareholders	6 July 2011
Closing Date of Offer *	21 July 2011
Securities quoted on a deferred settlement basis	22 July 2011
Notify ASX of under-subscriptions	25 July 2011
Despatch date	27 July 2011

* This date is determined based upon the current expectations of the Directors and may be changed with 6 Business Days prior notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 22 June 2011 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 21 July 2011 (**Expiry Date**). No Options will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The Offer to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Options is not New Zealand dollars. The value of the Options will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the Options to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 4.5, the Company will apply to the ASX for quotation of the Options offered under this Prospectus. If quotation is granted, the Options offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Options through that market, you will have to make arrangements for a participant in that market to sell the Options on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

RISK FACTORS

Potential investors should consider that the investment in the Company is speculative and should

consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

For further information in relation to the risk factors of the Company, please refer to Section 7 of this Prospectus which contains details of the specific and general risks to which the Company may be exposed, including, but not limited to, the following:

- (a) **Uranium Risk:** Uranium exploration and mining is subject to extensive regulation by state and federal governments which increase the cost of operations. Refer to section 7.2 for further information.
- (b) **Additional Requirements for Capital:** Even if the Offer is completed successfully, the Company is likely to require further financing in the future to develop its exploration assets. Any additional equity financing may dilute shareholdings, and debt financing may involve restrictions on financing and operating activities. Accordingly, the Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.
- (c) **Exploration Risk:** This includes the risk that the exploration of the Company's current or future interests may not result in the discovery of an economic deposit.
- (d) **Operating Risks:** The operations in which the Company has an interest may be adversely affected by various factors outside the control of the Company including operational and technical difficulties, adverse weather conditions, industrial disputes and unexpected shortages or increases in the costs of labour, plant and equipment.

2. CORPORATE DIRECTORY

Directors

Brett Smith - Chairman
Mark Fogarty - Managing Director
Paul Kelly - Non Executive Director
Emilio Pietro Del Fante – Non Executive Director

Company Secretary

Melissa Chapman

Registered Office & Principal Place of Business

18 Oxford Close
LEEDERVILLE WA 6007

Telephone: +61 8 6382 5577
Facsimile: +61 8 9380 9666

Website

www.eclipseuranium.com.au

ASX Code: EUL

Share Registry*

Security Transfer Registrars
770 Canning Highway
APPLECROSS WA 6153

Telephone: +61 8 9315 2333

Auditor*

RSM Bird Cameron
8 St Georges Terrace
PERTH WA 6000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. MANAGING DIRECTOR'S LETTER

Dear Shareholder

As announced to ASX on 3 March 2011, the Board is pleased to offer Shareholders the opportunity to participate in a non-renounceable entitlement issue of Options on the basis of one (1) Option for every two (2) Shares held by Shareholders at an issue price of 1 cents per Option, to raise up to approximately \$353,735 (before expenses) (**Offer**).

This Offer is proposed as a "loyalty option" for those Shareholders who held their Shares issued via the initial public offering or for new Shareholders supporting the Company in its first few months after listing on the ASX.

Shareholders registered at the Record Date will be entitled to participate in the Offer.

Prospective investors in the Company should be aware that subscribing for Options the subject of this Prospectus involves a number of specific risks, including exploration success, commodity prices and exchange rates, future funding and market conditions.

Details of these specific risks and other general risks are set out in Section 7 of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 7 of this Prospectus, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Options. Accordingly, an investment in the Company should be considered highly speculative.

The Directors intend to take up their respective Entitlement in full and look forward to your support of the current Offer.

Yours sincerely



Mark Fogarty
Managing Director

4. DETAILS OF THE OFFER

4.1 Offer

By this Prospectus, pursuant to a pro-rata non-renounceable entitlement issue, the Company offers for subscription one (1) Option for every two (2) Shares held by Shareholders held on the Record Date at an issue price of 1 cent per Option (**Offer**). Fractional entitlements will be rounded up to the nearest whole number.

The Options issued will be exercisable at \$0.20 on or before 31 May 2014.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Options to be issued pursuant to the Offer is 35,373,500. The Offer will raise approximately \$353,735. The purpose of the Offer and the use of funds raised are set out in Section 5 of this Prospectus.

The two main shareholders of the Company, being Dourado Resources Limited (ASX: DUO) and Cauldron Energy Limited (ASX: CXU), have indicated to the Company that they do not intend to take up their entitlement under the Offer and accordingly these Options will form part of the Shortfall.

Holders of existing Options will not be entitled to participate in the Offer. The Company currently has 550,000 Options on issue as at the date of this Prospectus, which may be exercised by the Optionholder prior to the Record Date in order to participate in the Offer.

Based on the above, a maximum of 35,373,500 Options will be issued.

4.2 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form.
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque or make payment via BPay for the appropriate application monies (at 1 cent per Option).

If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Payment by Cheque/Bank Draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Eclipse Uranium Limited – Entitlement Issue Account**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry no later than 5.00pm WST on the Closing Date.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

Payment by BPay

BPay payments must include the BPay Biller Code 159483 and the Applicants unique BPay reference number which is quoted on the Entitlement and Acceptance Form. Please be aware of your financial institution’s cut off time (the time payment must be made to be processed overnight) and ensure payment is processed by your financial institution on or before 5.00pm WST on the Closing Date.

BPay applications will only be regarded as accepted if payment is received by the Company’s share registry from your financial institution on or prior to 5.00pm WST on the Closing Date. It is the Applicants responsibility to ensure funds are submitted correctly by the Closing date and time.

4.3 Minimum Subscription

There is no minimum subscription.

4.4 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. Any Entitlement not taken up pursuant to the Offer will form the Shortfall and will be dealt with at the Directors discretion. Accordingly, Shareholders should not apply for the Shortfall unless directed to do so by the Directors. The offer of any Shortfall Options (if any) is a separate offer made pursuant to this Prospectus and will remain open after the Closing Date. The issue price of any Shortfall Options shall be 1 cent being the price and terms at which the Entitlement has been offered to Shareholders pursuant to this Prospectus.

4.5 Australian Securities Exchange Listing

Application for official quotation by ASX of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

4.6 Allotment of Options

Options issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date in accordance with the timetable applied by ASX. The Company will allot the Options on the basis of a Shareholder's Entitlement.

Pending the allotment and issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

4.7 Overseas Shareholders

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Options the subject of this Prospectus or otherwise permit a public offering of the Options the subject of this Prospectus in any jurisdiction outside Australia or New Zealand.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Options pursuant to this Prospectus. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

4.8 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should consult their own professional tax adviser in connection with the taxation implications of the Options offered pursuant to this Prospectus.

4.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company participates in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.10 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$353,735 (before expenses and assuming full subscription). The proceeds of the Offer are planned to be used to cover expenses of the Offer and for working capital purposes.

5.2 Effect of the Offer and Pro Forma Consolidated Balance Sheet

The principal effect of the Offer assuming full subscription will be to:

- (a) increase the cash reserves by approximately \$347,147 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Options on issue from 550,000 prior to the date of this Prospectus to 10,923,500 Options following completion of the Offer.

5.3 Consolidated Balance Sheet

The unaudited Balance Sheet as at 31 May 2011 and the unaudited Pro Forma Balance Sheet as at 31 May 2011 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Options pursuant to the Offer in this Prospectus are issued.

The unaudited Balance Sheets have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 May 2011
(unaudited)**

	Unaudited Consolidation 31 May 2011	Pro Forma Adjustments	Pro Forma Consolidation 31 May 2011
CURRENT ASSETS			
Cash and Cash Equivalent	2,718,854	347,147	3,066,001
Trade and Other Receivables	43,911	-	43,911
TOTAL CURRENT ASSETS	2,762,765	347,147	3,109,912
NON-CURRENT ASSETS			
Receivables	60,048	-	60,048
Property, Plant and Equipment	21,221	-	21,221
Exploration Expenditure	10,312,056	-	10,312,056
TOTAL NON-CURRENT ASSETS	10,393,324	-	10,393,324
TOTAL ASSETS	13,156,089	347,147	13,503,236
CURRENT LIABILITIES			
Trade and Other Payables	(70,890)	-	(70,890)
TOTAL CURRENT LIABILITIES	(70,890)	-	(70,890)
NON-CURRENT LIABILITIES			
Payables	-	-	-
TOTAL NON-CURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	(70,890)	-	(70,890)
NET ASSETS	13,226,980	347,147	13,574,127
EQUITY			
Share Capital	13,916,882	347,147	14,264,029
Reserves	15,920	-	15,920
Retained Earnings	(368,761)	-	(368,761)
Current Earnings	(337,061)	-	(337,061)
TOTAL EQUITY	13,226,980	347,147	13,574,127

In preparing the pro forma balance sheet, the following adjustments have been made:

1. Pursuant to this Prospectus, an amount of \$353,735 has been received from the issue of 35,373,500 Options at \$0.01 per Option.
2. Expenses of the Offer amounting to \$6,588 have been paid.

5.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Shares

	Number
Shares on issue at date of Prospectus	70,747,000
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	70,747,000

Options

	Number
Unlisted exercisable at \$0.20 on or before 30 November 2015	550,000
Options offered pursuant to the Offer	35,373,500
Total Options on issue after completion of the Offer	35,923,500

6. RIGHTS ATTACHING TO OPTIONS AND UNDERLYING SECURITIES

6.1 Rights Attaching to Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one (1) Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5.00pm (WST) on 31 May 2014 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

(Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Company will apply for quotation of the Options on ASX.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares. The Company will apply for quotation of all Shares issued upon the exercise of the Option within 3 business days after the date of the allotment of these shares.
- (j) The Options are transferable.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will

give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

6.2 Rights Attaching to Shares (being the underlying securities)

The following is a summary of the more significant rights and liabilities attaching to Shares that will be issued upon exercise of the Options. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

- (a) **Notice of Meetings**

Each Shareholder is entitled to receive notice of general meetings of the Company. Except in certain circumstances, Shareholders are entitled to be present in person, or by proxy, attorney or representative to speak or to vote at general meetings of the Company or to join in demanding a poll. Shareholders may requisition general meetings in accordance with the Corporations Act.

- (b) **Voting**

At a general meeting, on a show of hands, every person present who is either a member, a proxy, an attorney or a representative of a Shareholder has one vote. At the taking of a poll, every Shareholder present in person or by proxy, attorney or representative has one vote for each Share held.

- (c) **Dividends**

The Directors may from time to time authorise and pay dividends out of the profits of the Company. Dividends are payable in proportion to the number of Shares held by Shareholders.

- (d) **Winding Up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the property of the Company. The liquidator may also, with the sanction of a special resolution, vest the whole or any part of the property in a trustee on trust for Shareholders.

- (e) **Transfer of Shares**

A Shareholder may transfer Shares by a written transfer or by a transfer effected under a computerised or electronic system recognised by the Listing Rules or by the Corporations Act. The Directors may refuse to register a transfer of Shares where the Listing Rules permit the Company to do so. On any refusal to register a transfer of Shares, the Company must give written notice to the transferee and the reasons for the refusal.

(f) **Allotment of Shares**

The Directors may, subject to the Constitution, allot new Shares with such terms and conditions as they think fit.

7. RISK FACTORS

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Options. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.1 Specific Risks

Described below are some specific risk factors that may impact on Eclipse's performance. Some of the risks may be mitigated by the use of appropriate safeguards and systems, while others are outside the control of the Company.

(a) Government Regulation of Uranium Industry

Uranium mining in Australia is subject to extensive regulation by local and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. The approvals required are more rigorous than those for the mining of other metals. Compliance with such laws and regulations will affect the costs of exploring, drilling, developing, constructing, operating and closing mines and other uranium production facilities. There is a risk that should potentially economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The Federal Government through its licensing process tightly controls the export of uranium and Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

Exploration for and the mining of uranium are permitted in the Northern Territory. The Mining Act 1980 (NT) provides a legislative framework within which such activities are undertaken. Additionally, the Mining Act (NT) sets out the requirements and conditions of granting of mineral leases, exploration licences, exploration tenement licences, extractive mineral leases and mineral claims.

Under the Mining Act (NT), the Northern Territory must act on the advice of the Commonwealth Minister in relation to uranium. The Northern Territory is not permitted to act other than in accordance with such advice (except with respect to decisions made about the granting of exploration licences).

The Mining Management Act 2001 (NT) contains regulations pertaining to health and safety, the environment, authorisations, and the management of mining sites. According to this Act, the Northern Territory is required to consult with, and act in accordance with the advice of, the Commonwealth in relation to decisions about 'mining activities' (which include exploration) in relation to uranium. The Commonwealth, therefore, has the power to make decisions with respect to the granting of mining authorisations, without which mining activities cannot take

place. The Northern Territory Government must, to a significant extent, act on the advice of the Commonwealth Minister in relation to uranium.

The Commonwealth Government maintains tight controls over the export of uranium through its licensing process. Uranium may only be sold and exported in accordance with the Customs (Prohibited Exports) Regulations (Cth) and the Nuclear Non-Proliferation (Safeguards) Act (Cth). Australian uranium can only be exported to countries that undertake to use it for peaceful purposes. Uranium mining itself is also extensively regulated.

(b) **Competition from alternative energy and public perception**

Nuclear energy is in direct competition with other, more conventional sources of energy that include oil, gas, coal and hydro-electricity. These conventional energy sources may be provided at lower cost resulting in a decrease in demand for uranium.

Furthermore, the growth of the nuclear power industry (and resulting increase in the demand for uranium) beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

(c) **Exploration Risk**

The Companies tenement interests are at various stages of application and exploration. Prospective investors should understand that mineral exploration and development are speculative undertakings.

No assurance can be provided that exploration of the described project areas (or any possible future tenement acquisitions) will result in the discovery of an economic ore deposit. In the event that an apparently viable deposit is identified, there is still no certainty that it can be commercially developed.

Furthermore, the tenements and applications are largely unexplored and have only a limited exploration history. Consequently, there is no guarantee that the proposed exploration will reveal any mineable mineralisation that will ultimately be commercially viable.

(d) **Exploration Targets**

From time to time the Company may present or define exploration targets and geological models as exploration targets. These exploration targets are conceptual in nature and do not by any means constitute a mineral resource or reserve of any economic value, as defined by the Australasian Joint Ore Reserves Committee (JORC). To date there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource. Conceptual targets are expert expressions of judgment based on knowledge, experience and industry practice. These models and targets can have influence on the methods and styles of exploration activity. However, it is recommended no investment decision be made on the basis of stated exploration targets.

(e) **Operating Risks**

In the event that the Company successfully identifies potential economic uranium deposits the operations of the Company may be impacted by several factors including (but not limited to); failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment and mechanical failure or plant breakdown.

Various other operating risks exist such as: inadequate water supplies; unanticipated metallurgical problems which may affect extraction costs; inability to obtain satisfactory joint venture partners; adverse weather conditions; industrial and environmental accidents; industrial disputes; unexpected shortages or increases in costs of consumables; spare parts and plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploitation of its tenements. Until Eclipse is able to realise value from its projects, it's likely to incur ongoing operating losses.

(f) **Key Personnel**

The success of Eclipse will depend on key management and technical personnel. The loss of the services of certain personnel or contractors could adversely affect the Company and its activities.

(g) **Commodity Price Volatility & Exchange Rate Risks**

In the potential scenario that the Company achieves exploration success leading to mineral production, the derived revenue through sales will expose the possible income to commodity price and exchange rate risks. The ability to finance and develop a commercially viable project will also depend on the price at which the product can be sold. Commodity prices fluctuate and are affected by factors beyond the control of Eclipse. Factors include: supply and demand fluctuations; technological advancements; forward selling activities; other micro and macro-economic factors.

Furthermore, international commodity prices are largely denominated in United States dollars. Conversely, the income and expenditure of the Company (whilst operating on Australian projects) are and will be taken into account in Australian currency. This exposes Eclipse to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar.

(h) **Tenement Application and Title Risks**

Applications for and interests in exploration and mining tenements in Australia are governed by State or Territory legislation that covers the granting of leases and licences. The granting of applications is at the discretion of the relevant government. Individual leases or licences are for a specific term and carries with it annual expenditure, reporting, compliance and compulsory reduction conditions. Consequently there is no guarantee that the various mining tenement applications will be successful and Eclipse could lose title to - or its interests in - tenements if conditions aren't met or if insufficient funds are available to meet expenditure requirements. If a tenement is not renewed for any reason, the Company may suffer significant damage through loss of opportunity to discover and develop the tenement.

(i) **Native Title**

The Native Title Act 1993 (Cth) recognizes and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs.

It is possible that, in relation to the tenements and tenements in which Eclipse Uranium Ltd has an interest or in the future may acquire such an interest, there may be areas over which legitimate native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of Eclipse Uranium Ltd to obtain the consent of any relevant landowner or to progress the exploration, development and mining phases may be adversely affected.

It is possible that there will exist on some or all of the Company's tenements, areas containing sacred sites or sites of significance to Aboriginal people, subject to the Native Title Act and other legislation. As a result, land within the mining tenements may be subject to exploration, mining or other restrictions emanating from claims of Aboriginal heritage sites or native title.

(j) **Environmental Risks**

The operations and proposed activities of the Company are subject to Territory and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the intention of Eclipse Uranium Ltd to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(k) **Insurance**

Insurance against all risks associated with mineral exploration and production is not always available or affordable. The Company will maintain insurances where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(l) **Additional Capital**

While the Directors believe that Eclipse Uranium Ltd will have sufficient funds to fund its activities in the short term, it is operating in a dynamic and highly volatile sector. There can be no assurance that the Company will not seek to exploit business opportunities of a kind that will require it to raise additional capital from equity or debt sources. There can also be no assurance that the Company will be able to raise such capital on favourable terms or at all.

Any additional equity raising may dilute the interests of the Company's Shareholders and any debt financing, if available, may involve financial covenants which limit its operations. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its business activities, which could adversely affect its business, operating results and financial condition.

(m) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in other companies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies or resource projects.

(n) **Resource Estimates**

Resource estimates are expert expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates may change. This could result in alterations to development and mining plans (which may in turn) affect the Company's operation.

(o) **Litigation Risk**

Legal proceedings may arise from time to time in the course of the Company's business and Eclipse Uranium Ltd cannot preclude the possibility that litigation may be brought against it.

(p) **Force Majeure**

Force Majeure describes events including acts of God, fire, flood, earthquakes, war and strikes beyond the control of a party claiming the occurrence of any such event. To the extent that Force Majeure events occur they may have a detrimental effect on the ability of the Company to operate, its financial performance and the value and price of Shares.

7.2 General Risks

Future prospects of the Company's business may be affected by external factors beyond Eclipse's control. Financial performance of the Company can potentially be impacted by a number of business risks. These can apply to companies generally and may include economic, financial, market or regulatory conditions.

(a) **Economic Conditions**

Economic conditions (both domestic and global) may influence Eclipse's performance. Factors such as: fluctuations in currencies; commodity prices; inflation; interest rates; supply and demand; and industrial disruption may have an impact on operating costs and share market prices. The Company's possible future costs, revenues and Share price can be altered by these factors (all of which are beyond the control of the Company or its Directors). Neither Eclipse, nor the Directors, warrants the future performance of the Company or any return on an investment in the Company. In addition, Eclipse's ability to raise additional capital - should it be required - may be affected.

(b) **Share Market Performance**

There are a number of general risks associated with the performance of share market investments. These could also impact the price at which the Shares trade on the ASX. The market price of securities can fall and/or rise and may be subject to a

variety of unpredictable influences. These factors may materially affect the market price of the Company's Shares regardless of the Company's operational performance.

(c) **Changes in Legislation and Government Regulation**

Government legislation, including in relation to the resources industry and changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Government policy and/or statutory changes may influence Eclipse and the attractiveness of an investment in it.

8. ADDITIONAL INFORMATION

8.1 Continuous Disclosure Obligations

The Company was incorporated on the 3 March 2010 and was admitted to the ASX on the 15 February 2011.

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time since the time of listing which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the Company prospectus;
 - (ii) the Company supplementary prospectus;
 - (iii) the Company second supplementary prospectus which contains financial statements of the Company for the financial period ended 30 June 2010 being the last financial statements for a financial year, of the Company lodged with the ASIC on the 29 October 2010; and

- (iv) A copy of the financial statements for the period ended 30 June 2010 being the last financial statements lodged with the ASIC before lodgement of their Prospectus.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since admission to the ASX:

Date	Description of Announcement
29/04/11	Quarterly Report for Period Ending 31 March 2011
03/03/11	Initial Director`s Interest Notice for Mr Kelly
03/03/11	Option Entitlement Issue and Changes at the Board Level
24/02/11	Change of Director`s Interest Notice for Mr Fogarty
21/02/11	DUO: Listing of Eclipse Uranium Ltd Creates Value
21/02/11	Drilling to be Undertaken in Northern Territory
21/02/11	Amended Form 603 from CXU
18/02/11	Becoming a substantial holder from CXU
18/02/11	Becoming a substantial holder from DUO
18/02/11	Initial Director`s Interest Notice for Mr Smith
18/02/11	Initial Director`s Interest Notice for Mr Del Fante
18/02/11	Initial Director`s Interest Notice for Mr Fogarty
17/02/11	Listed on ASX on 17 February 2011
15/02/11	Restricted Securities Schedule
15/02/11	Options Terms and Conditions
15/02/11	Confirmation of Issue of Securities
15/02/11	Securities Trading Policy
15/02/11	Corporate Governance Statement
15/02/11	Updated Pro-forma Balance Sheet
15/02/11	Status of Exploration Licence Applications
15/02/11	Status of Mining Tenements
15/02/11	Updated Statement of Commitments

Date	Description of Announcement
15/02/11	Top 20 and Distribution Schedule
15/02/11	Constitution
15/02/11	Appendix 1A - ASX Listing application and agreement
15/02/11	Pre Quotation Disclosure
15/02/11	ASX Circular: Commencement of Official Quotation
15/02/11	Admission to Official List

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's www.eclipseuranium.com.au.

8.2 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

The relevant interest of each of the Directors in the securities of the Company (and their respective Entitlement) as at the date of this Prospectus is as follows:

Interests at the date of this Prospectus		
Director	Shares	Options
Brett Smith	0	150,000 (\$0.20 @ 30 November 2015)
Mark Fogarty	20,000	250,000 (\$0.20 @ 30 November 2015)
Paul Kelly	10,000	
Emilio Pietro Del Fante	0	150,000 (\$0.20 @ 30 November 2015)

Notes:

1. Each of the Directors have indicated that it is their intention to subscribe for their full Entitlement under the Offer.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The Company paid to the Directors a total of \$89,379 from the date of listing being 15 February 2011 until the date of this Prospectus. No fees were paid to the Directors prior to the Company listing on ASX. Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

8.3 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

8.4 Estimated Expenses of Offer

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,010
ASX fees	2,578
Printing and other expenses	2,000
Total	<u>6,588</u>

8.5 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.18 on 22 March 2011

Lowest: \$0.085 on 21 June 2011

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.085 on 21 June 2011.

8.6 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9. AUTHORITY OF DIRECTORS

9.1 Directors' Consent

Each of the Directors of Eclipse Uranium Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act

Dated the 22 June 2011.

A handwritten signature in black ink, appearing to read 'Mark Fogarty', written over a horizontal line.

Mark Fogarty
Managing Director
For and on behalf of
ECLIPSE URANIUM LIMITED

10. DEFINITIONS

Applicant means a Shareholder or other party instructed by the Underwriter who applies for Options pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means the ASX Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5.00pm (WST) on 21 July 2011 (unless extended).

Company means Eclipse Uranium Limited (ABN 85 142 366 541).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001*(Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the offer pursuant to the Prospectus on the basis of one (1) Option for every two (2) Shares held by a Shareholder on the Record Date at an issue price of one (1) cent per Option, to raise approximately \$353,735.

Official List means the official list of ASX.

Option means an option to acquire a Share on the terms set out in Section 6.1.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means 5.00pm (WST) on 1 July 2011.

Related Corporation has the meaning given to that term in the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Shortfall means those Options under the Offer not applied for by Shareholders under their Entitlement.

WST means Western Standard Time.