

2011

ECLIPSE URANIUM LIMITED

ACN 142 366 541



HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2011

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CORPORATE INFORMATION

DIRECTORS

Mr Mark Fogarty (Managing Director)
Mr Graeme Allan (Chairman)
Mr David Sanders (Non-Executive Director)
Emilio Pietro Del Fante (Non-Executive Director)

COMPANY SECRETARY

Mr Robert Marusco

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

309 Pier Street
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COMMUNICATION DETAILS

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AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Share Transfer Registrars
770 Canning Highway
Applecross WA 6153

WEBSITE

www.eclipseuranium.com.au

ASX CODE

EUL

DIRECTORS REPORT

Your directors submit their report of the consolidated entity for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2011, the directors report as follows:

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in the office for this entire period unless otherwise stated.

Mr Mark Fogarty
Mr Graeme Allan (Appointed November 2011)
Mr David Sanders (Appointed November 2011)
Emilio Pietro Del Fante
Mr Paul Kelly (Resigned November 2011)
Brett Smith (Resigned November 2011)

REVIEW OF OPERATIONS

Over the past 6 months operations have focused on Eclipse's flagship project in the Ngalia basin (the Eclipse Project) and also its projects in the Pine Creek area (Pine Creek Project). On 4th January 2012 Eclipse settled the acquisition of Central Energy Pty Ltd which has increased Eclipse's landholding to over 26,300km².

ECLIPSE PROJECT (NT)

The Eclipse Project is located 200km northwest from Alice Springs in the Ngalia Basin. Numerous Deposits are found within this basin including Bigrlyi Deposit (Energy Metals Limited, ASX:EME), New Well Deposit (Deep Yellow Limited, ASX:DYL) and the Afghan Swan Deposit (Thundelarra Exploration limited, ASX:THX). Nolans Bore (Arafura Resources Limited, ASX:ARU) is also located just 60km from Eclipse Tenure in a similar geological setting. Within the Eclipse licences there are historically recorded mineral occurrences including Currinya and Mount Wedge prospects.

Eclipse has completed a Tempest Electromagnetic program in the Eclipse Project. Tempest AEM lines were flown over all granted tenements and designed as a continuation of a Tempest trial completed over the area by Cauldron Energy Limited. Review of the data generated by Cauldron indicates possible variations at the basin margin and also what is interpreted to be variations within Tertiary Sediments which may be an extension to the interpreted palaeochannel system which hosts the Afghan Swan prospect (Thundelarra Exploration Limited, ASX:THX). The program was co-funded (\$53,000) by the Northern Territory Geological Survey *Bringing Forward Discovery Initiative*.

Recently the company received the data from the Tempest AEM program and is at present processing the data to allow interpretation and planning of drilling programs to investigate targets identified. Preliminary interpretation of the data shows numerous conductive targets; which it is considered, may, represent both structure related conductive features as well as interpreted sedimentary targets.

The company has received clearance from the CLC for the proposed drilling program on EL24808 The program is located in between Energy Metals Limited (ASX:EME) Bigrlyi Deposit and Camel Flat and Dingo's Rest Prospects. The program has been designed to target the Mount Eclipse Sandstone adjacent to the Yuendumu Fault systems and associated splay faults.

Eclipse has participated in the final workshop and received the final report associated with the CSIRO Joint Surveys Uranium Ngalia Basin Project. All information has been utilised in a project review and the generation of new targets for the project area based on the new found understanding of uranium mineralisation within the Ngalia basin.

DIRECTORS REPORT

Pine Creek Project

The Pine Creek Project area is comprised of 9 granted tenements and three exploration licence applications within the Pine Creek Orogen. The Pine Creek Orogen is one of the most prospective areas for Uranium and multi commodity mineralisation. Eclipse holds a series of tenements located near to the Rum Jungle Mineral Field as well as more regional project areas. These tenements are considered highly prospective for uranium as well as gold, base metals and rare earth elements.

Eclipse is currently in the processes of generating a database of all historical works and results in the licences and surrounding areas. Eclipse has been liaising with the Northern Territory Geological Survey and has determined that some of the historic core (approximately 10-15 holes) is stored in their Darwin core yard. Over the last six months Eclipse completed two field trips to the Darwin Region. A preliminary visit was completed to establish access and logistics requirements for the tenements as well as additional mapping to increase geological understanding of the area. The second trip included two days spent in the NT Geological Survey core yard for assessment of the historical diamond core held there from the tenements.

The Company's geologists continue to gather historical data and open file for all tenements, including those newly acquired from Central Energy Pty Ltd, and will continue to determine, refine and prioritise targets for future programs. The Aboriginal Areas Protection Authority has been commissioned to complete a sacred site clearance on three granted licences within the Pine Creek Project. This survey will allow field works including soil sampling, rock chip sampling and drilling to commence over the coming year once clearance has been received.

Lake Mackay Project

The Lake Mackay application is located on the border of the Northern Territory and West Australia and approximately 500km west of Alice Springs. The project area contains a radiometric uranium anomaly in the order of 10km x 1km with the potential for calcrete hosted mineralisation (Figure 5). This project area has become increasingly interesting with the recent developments of Toro Energy Limited's (ASX:TOE) Theseus Prospect on the West Australian side of Lake Mackay which recent drilling has yielded results including 4.84m at 830ppm eU₃O₈.

In late September Eclipse Uranium conducted a presentation to the Traditional Owners of the Land to explain their application to explore the area. Eclipse has received notification that the application is to be placed in moratorium until 13 December 2016.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half year ended 31 December 2011.

This declaration forms part of the directors' report.

Signed in accordance with a resolution of the Board of Directors


.....

Mr Mark Fogarty

Managing Director

Dated: 6 March 2012

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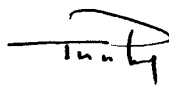
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Eclipse Uranium Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 6 March 2012

ECLIPSE URANIUM LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

		Consolidated Group	
		31 December	31 December
	Note	2011	2010
		\$	\$
Revenue	2	24,206	395
Employee benefits expense and directors fees		(111,527)	(478)
Consultancy expenses		(293,538)	-
Professional services expenses		(113,245)	(46,798)
Listing costs		(28,093)	(1,029)
Travel expenses		(17,196)	-
Administration expenses		(173,350)	(15,755)
Depreciation expense		(36,759)	(2,082)
Loss before income tax		<u>(749,502)</u>	<u>(65,747)</u>
Income tax expense		-	-
Loss for the period		<u>(749,502)</u>	<u>(65,747)</u>
Other comprehensive income:		-	-
Total comprehensive loss for the period		<u>(749,502)</u>	<u>(65,747)</u>
Loss attributable to:			
Members of the parent entity		<u>(749,502)</u>	<u>(65,747)</u>
		<u>(749,502)</u>	<u>(65,747)</u>
Total comprehensive loss attributable to:			
Members of the parent entity		<u>(749,502)</u>	<u>(65,747)</u>
		<u>(749,502)</u>	<u>(65,747)</u>
Earnings per share			
Basic loss per share (cents)	3	(1.04)	(0.26)
Diluted loss per share (cents)	3	(1.04)	(0.26)

The accompanying notes form part of these financial statements.

ECLIPSE URANIUM LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

		Consolidated Group	
		As at	As at
		31 December	30 June
Note		2011	2011
		\$	\$
ASSETS			
CURRENT ASSETS			
		970,746	2,659,179
		92,047	120,846
		<u>1,062,793</u>	<u>2,780,025</u>
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
		60,048	97,758
	4	500,000	-
		19,523	52,424
	5	11,058,627	10,546,419
		<u>11,638,198</u>	<u>10,696,601</u>
		<u>12,700,991</u>	<u>13,476,626</u>
TOTAL NON-CURRENT ASSETS			
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
		53,679	333,627
		<u>53,679</u>	<u>333,627</u>
TOTAL CURRENT LIABILITIES			
TOTAL LIABILITIES			
		<u>53,679</u>	<u>333,627</u>
NET ASSETS			
		<u>12,647,312</u>	<u>13,142,999</u>
EQUITY			
	6	14,248,554	14,001,819
		49,064	41,984
		(1,650,306)	(900,804)
		<u>12,647,312</u>	<u>13,142,999</u>
		<u>12,647,312</u>	<u>13,142,999</u>
TOTAL EQUITY			

The accompanying notes form part of these financial statements.

ECLIPSE URANIUM LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital	Accumulated Losses	Option Reserve	Total
Consolidated Group				
Balance at 1 July 2010	\$ 5,000,002	\$ (368,761)	\$ -	\$ 4,631,241
Comprehensive income				
Loss for the half-year	-	(65,747)	-	(65,747)
Total comprehensive loss for the half-year	-	(65,747)	-	(65,747)
Transactions with owners, in their capacity as owners, and other transfers				
Employee options expensed during the half-year	-	-	24,595	24,595
Capital raising costs	(13,130)	-	-	(13,130)
Total transactions with owners and other transfers	(13,130)	-	24,595	11,465
Balance at 31 December 2010	<u>4,986,872</u>	<u>(434,508)</u>	<u>24,595</u>	<u>4,576,959</u>
Balance at 1 July 2011	14,001,819	(900,804)	41,984	13,142,999
Comprehensive income				
Loss for the half-year	-	(749,502)	-	(749,502)
Total comprehensive loss for the half-year	-	(749,502)	-	(749,502)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the half-year	158,000	-	-	158,000
Options issued during the half-year	88,735	-	-	88,735
Employee options expensed during the half-year	-	-	7,080	7,080
Total transactions with owners and other transfers	<u>246,735</u>	<u>-</u>	<u>7,080</u>	<u>253,815</u>
Balance at 31 December 2011	<u>14,248,554</u>	<u>(1,650,306)</u>	<u>49,064</u>	<u>12,647,312</u>

The accompanying notes form part of these financial statements.

ECLIPSE URANIUM LIMITED
STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated Group	
		31 December 2011	31 December 2010
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		24,206	395
Income Tax refunded		2,711	-
Payments to suppliers and employees		(534,784)	(128,389)
Net cash used in operating activities		<u>(507,867)</u>	<u>(127,994)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from repayment of security deposit		37,710	-
Purchase of plant and equipment		(37,138)	-
Purchase of available-for-sale investments	4	(500,000)	-
Payment of security deposit		(37,710)	-
Payments for exploration and evaluation expenditure		(732,163)	-
Net cash used in investing activities		<u>(1,269,301)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of options		88,735	-
Share application funds received in advance		-	429,600
Proceeds of advances from Dourado Resources Limited		-	128,055
Net cash provided in financing activities		<u>88,735</u>	<u>557,655</u>
Net increase / (decrease) in cash held		(1,688,433)	429,661
Cash and cash equivalents at beginning of period		2,659,179	15,964
Cash and cash equivalents at end of period		<u>970,746</u>	<u>445,625</u>

The accompanying notes form part of these financial statements.

ECLIPSE URANIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Note 1 Summary of Significant Accounting Policies

(a) Statement of Compliance

The interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include full disclosures of the type normally in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Eclipse Uranium Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as detailed below.

(b) Basis of Preparation

The half-year report has been prepared on a historical cost basis, except for the revaluation of certain non-current assets, financial assets and financial liabilities. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars.

For the purposes of preparing the half-year report, the half-year has been treated as a discrete reporting period.

(c) Changes in accounting policies

From 1 July 2011, the Company has adopted the Standards and Interpretations mandatory from annual periods beginning on or after 1 July 2011. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Company.

The Company has not elected to early adopt any new standards or amendments.

(d) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2011.

Note 2 Revenue and Other Income

	Consolidated Group	
	31 December 2011	31 December 2010
Revenue from continuing operations	\$	\$
Interest received	24,206	395
Total revenue	<u>24,206</u>	<u>395</u>

Note 3 Earnings per Share

	Consolidated Group	
	31 December 2011	31 December 2010
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Loss	(749,502)	(65,747)
Profit attributable to non-controlling equity interest	-	-
Earnings used to calculate basic EPS	(749,502)	(65,747)
Dividends on converting preference shares	-	-
Earnings used in the calculation of dilutive EPS	<u>(749,502)</u>	<u>(65,747)</u>
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	72,284,065	25,000,000
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>72,284,065</u>	<u>25,000,000</u>

ECLIPSE URANIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Note 4 Financial Assets

	Consolidated Group	
	31 December 2011	30 June 2010
	\$	\$
NON-CURRENT		
Financial assets (i)	500,000	-
Total non-current assets	500,000	-

(i) On 24 November 2011 the Company acquired 5,000,000 shares in Klondyke Gold Limited. This shareholding is subject to a twenty-four (24) month escrow from the date of their ASX listing.

Note 5 Exploration and evaluation expenditure

	Consolidated Group	
	31 December 2011	30 June 2011
	\$	\$
Exploration and evaluation expenditure		
Movements in Carrying Amounts		
Balance at beginning of period	10,546,419	5,004,865
Additions	512,208	541,554
Acquisition from Cauldron Energy Limited	-	5,000,000
Total exploration and evaluation expenditure	11,058,627	10,546,419

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or sale of the respective areas.

Note 6 Issued Capital

	Consolidated Group	
	31 December 2011	30 June 2011
	\$	\$
Issued Capital		
Ordinary shares issued and fully paid (a)	14,159,819	14,001,819
Options issued (b)	88,735	-
Issued capital	14,248,554	14,001,819

Fully paid ordinary shares have the right to receive dividends as declared and entitle their holder to vote in person or by proxy at a meeting of the Company.

(a) Ordinary Shares

	Consolidated Group	
	Number	\$
At 1 July 2011	70,747,000	14,001,819
Shares issued during the period		
— Issued on 6 July 2011 for services rendered to the Company	1,580,000	158,000
At 31 December 2011	72,327,000	14,159,819

(b) Options Issued

	Consolidated Group	
	Number	\$
At 1 July 2011	-	-
Options issued during the period		
— Issued on 26 July 2011 for Non-renounceable entitlement offer	3,604,749	36,047
— Issued on 15 August 2011 for Non-renounceable entitlement offer	5,268,751	52,688
At 31 December 2011	8,873,500	88,735

ECLIPSE URANIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Note 7 Contingent Liabilities and Contingent Assets

There are no contingent assets or liabilities at the reporting date.

Note 8 Operating Segments

Segment Information

The directors have considered the requirements of AASB 8-Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following adoption of AASB8, the identification of the company's reportable segments has not changed. During the half-year, the company considers that it has only operated in one segment being mineral exploration within Australia.

The group is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

No operating revenue was derived during the period (2011 - nil).

All the assets are located in Australia only.

Note 9 Events After the Reporting Period

On 4 January 2012, the Company completed the purchase of Central Energy Pty Limited and its 100% controlled subsidiaries being Whitvita Pty Limited and U308 Agencies Australia Pty Limited.

The total cost of the acquisition was \$2,800,000 paid for via the issue of 35,000,000 ordinary shares with a fair value of \$0.08 each, based on the quoted price of the shares of Eclipse Uranium Limited at date of allotment.

Other than the above, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company to affect significantly the operations of the company, the results of the operation, or the state of affairs of the company in the future financial year.

**ECLIPSE URANIUM LIMITED
AND CONTROLLED ENTITY
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Eclipse Uranium Limited the directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 11, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 31 December 2011 and of the performance for the half-year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

On behalf of the Board

Director



Mr Mark Fogarty

Dated this 6th day of March 2012

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ECLIPSE URANIUM LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eclipse Uranium Limited which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eclipse Uranium Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Eclipse Uranium Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

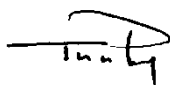
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eclipse Uranium Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



Perth, WA
Dated: 6 March 2012

TUTU PHONG
Partner