

# **Eclipse Metals Limited**

**ACN 142 366 541**

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM**

**Date of General Meeting: Friday, 30 November 2012**  
**Time of General Meeting: 11.30am (WST)**  
**Place of General Meeting: NKH, Level 2, Spectrum, 100 Railway Road,  
Subiaco WA 6008**

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2012 Annual General Meeting of the Shareholders of Eclipse Metals Limited (**Company**) will be held at NKH, Level 2, Spectrum, 100 Railway Road, Subiaco, Western Australia on Friday, 30 November 2012 at 11.30am (WST).

An Explanatory Memorandum containing information in relation to each of the following matters to be considered at the meeting accompanies and forms part of this Notice.

### AGENDA

#### FINANCIAL, DIRECTORS' AND AUDITOR'S REPORT

To receive and consider the Financial Report, Directors' Report and Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2012.

#### RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2012 be adopted."*

The Company will disregard any votes cast on this Resolution by Key Management Personnel or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

#### RESOLUTION 2 - ELECTION OF DIRECTOR – SHANE CASLEY

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That Mr Shane Casley, who was appointed as a Director of the Company on 6 July 2012 to fill a casual vacancy, be elected as a Director of the Company."*

#### RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO SHAREHOLDERS OF WALLA MINES LIMITED

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4, Shareholders ratify the issue by the Company of 7,200,000 fully paid ordinary shares in the Company in consideration of the acquisition by the Company of 4,000,000 shares in Walla Mines Limited on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."*

The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 4 - RATIFICATION OF ISSUE OF OPTIONS TO OPTIONHOLDERS OF WALLA MINES LIMITED**

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4, Shareholders ratify the issue by the Company of 3,000,000 Options in the Company in consideration of the acquisition by the Company of 2,500,000 options in Walla Mines Limited on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 5 – CHANGE TO SCALE OF ACTIVITIES**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 6 and 7, for the purposes of ASX Listing Rule 11.1.2, the Company be authorised to make a significant change in the scale of its activities by reason of its proposed acquisition of Contour Resources Pty Ltd pursuant to Resolutions 6 and 7.”*

The Company will disregard any votes cast on this resolution by a person who may obtain a benefit, except a benefit solely in the capacity of an ordinary security holder (if the resolution is passed) and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 6 - APPROVAL OF ISSUE OF SHARES TO SHAREHOLDERS OF CONTOUR RESOURCES PTY LIMITED**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 5, for the purpose of ASX Listing Rule 7.1, approval is given for the Company to issue to up to 77,400,000 fully paid ordinary shares in the Company in consideration of the acquisition by the Company of shares in Contour Resources Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of an ordinary security holder (if the resolution is passed) and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 7 - APPROVAL OF ISSUE OF OPTIONS TO OPTIONHOLDERS OF CONTOUR RESOURCES PTY LIMITED**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 5, for the purpose of ASX Listing Rule 7.1, approval is given for the Company to issue up to 88,779,480 Options in the Company in consideration of the acquisition by the Company of options in Contour Resources Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of an ordinary security holder (if the resolution is passed) and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 8: APPROVAL OF ISSUE OF SHARES – PROPOSED CAPITAL RAISING**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1, approval is given for the Company to issue up to 40,000,000 fully paid ordinary shares in the Company to investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”*

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of an ordinary security holder (if the resolution is passed) and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 9: APPROVAL OF ISSUE OF OPTIONS – PROPOSED CAPITAL RAISING**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1, approval is given for the Company to issue up to 20,000,000 Options in the Company to investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”*

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of an ordinary security holder (if the resolution is passed) and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

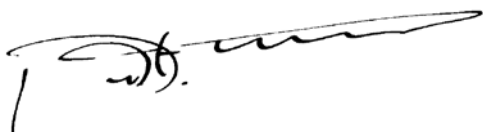
## VOTING ENTITLEMENT

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have set a date to determine the identity of those entitled to attend and vote at the AGM. For the purposes of determining voting entitlements at the AGM, Shares will be taken to be held by the persons who are registered as holding them as at 11.30am (WST) on Wednesday, 28 November 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

## QUESTIONS AND COMMENTS

The Chairman will allow a reasonable opportunity for shareholders at the meeting to ask questions about or make comments on the management of the Company.

## BY ORDER OF THE BOARD



Robert Marusco  
Company Secretary

## PROXY INSTRUCTIONS

Members are advised that:

- each member has a right to appoint a proxy to attend and vote for them;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint either 1 or 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is for 2 proxies and does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes.

The member may specify the manner in which the proxy is to vote on each resolution or may allow the proxy to vote at his or her discretion.

In accordance with section 250BA of the *Corporations Act*, the Company specifies that the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be:

- delivered or posted to the registered office of the Company at 309 Pier Street, Perth WA 6000 AUSTRALIA;
- sent to the registered office by facsimile on (08) 9200 4964 (within Australia) or +61 8 9200 4964 (outside Australia).

Those documents must be received by the Company at least 48 hours before the time for holding the Annual General Meeting, or adjourned Annual General Meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a body corporate, in a manner permitted by the *Corporations Act*. In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form (together with instructions for completion) is enclosed with this Notice.

## DEFINITIONS

For assistance in considering the Notice and accompanying Explanatory Memorandum, the following words are defined here:

**AGM** or **Annual General Meeting** means the annual general meeting of the Company.

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

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors of the Company.

**Chairman** means the chairman of the Annual General Meeting.

**Company** means Eclipse Metals Limited (ACN 142 366 541).

**Constitution** means the constitution of the Company.

**Contour** means Contour Resources Pty Ltd (ACN 146 504 207).

**Contour Option** means an option to subscribe for a Contour Share exercisable at 20 cents on or before 30 November 2015.

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

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

**Corporations Regulations** means the *Corporations Regulations 2011* (Commonwealth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the *Corporations Act* for the Company and its controlled entities.

**Explanatory Memorandum** means the explanatory memorandum enclosed with, and comprising part of, this Notice.

**Financial Report** means the 2012 annual financial report prepared under chapter 2M of the *Corporations Act* for the Company and its controlled entities.

**Key Management Personnel** means those persons details of whose remuneration are included in the

Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise), as defined in the Corporations Act.

**Listing Rules** means the ASX Listing Rules.

**Managing Director** means the managing or executive director of the Company.

**Notice** means this notice of annual general meeting.

**Option** means an Option to acquire a share on the terms and conditions set out in Annexure A.

**Proxy Form** means the proxy form enclosed with the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolutions** means the resolutions proposed in the Notice.

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

**Shareholder** means a shareholder of the Company.

**Walla** means Walla Mines Limited (ACN 146 239 858).

**Walla Option** means an option to subscribe for a Walla Share exercisable at 20 cents on or before 30 November 2015.

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

**WST** means Australian Western Standard Time.

**ECLIPSE METALS LIMITED**

**ABN 84 131 090 947**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with information to assess the merits of the resolutions contained in the accompanying Notice.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice.

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**Financial, Directors' and Auditors Report**

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ending 30 June 2012 will be laid before the AGM.

There is no requirement for the Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the AGM, written questions to the Company's auditors about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the AGM date to the Company's registered office at 309 Pier Street, Perth WA 6000 or sent by facsimile to the registered office on (08) 9200 4964 (within Australia) or +61 8 9200 4964 (outside Australia).

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**Resolution 1: Adoption of Remuneration Report**

The Company is required to include in its Directors' Report a detailed Remuneration Report relating to Directors' and executives' remuneration. Section 300A of the Corporations Act sets out the information required to be included in the Remuneration Report. A copy of the Remuneration Report is included in the Company's Annual Report.

Sections 249L(2) and 250(2) of the Corporations Act require that a resolution that the Remuneration Report be adopted be put to a vote of Shareholders at the Company's AGM. The vote on this resolution is advisory only and does not bind the Board.

Under section 250SA of the Corporations Act, Shareholders must be given a reasonable opportunity to ask questions about, or make comment on, the Remuneration Report.

Under changes to the Corporations Act that came into force on 1 July 2011, the resolution must now be the subject of a voting exclusion statement precluding Key Management Personnel and their Closely Related Parties from voting on the resolution, except as proxies for Shareholders entitled to vote. Any undirected proxies in favour of the Chairman concerning this resolution will be voted in favour of the resolution.

The changes also afford shareholders the opportunity to replace a company's board of directors if the



resolution to approve the company's Remuneration Report receives "no" votes of 25% or more at two successive AGMs of the Company.

A summary of the process as it applies to the Company is as follows:

- (a) If a "no" vote of 25% or more is cast on Resolution 1 to adopt the Remuneration Report, the Remuneration Report in 2013 must outline the Board's proposed action in response to the "no" vote (or state the reasons for any inaction);
- (b) If a "no" vote of 25% or more is cast on the resolution to adopt the Remuneration Report at the 2013 AGM, the Shareholders must then vote on a resolution that a general meeting be convened to consider the election of directors;
- (c) If the resolution is carried by ordinary majority (more than 50% of those present and voting), then the general meeting must be held within 90 days. All directors who were Directors when the Directors resolved to make the Directors' Report considered at this year's AGM (other than the Managing Director who is permitted to hold office indefinitely without being re-elected under the Listing Rules) cease to hold office immediately before the end of the general meeting and may offer themselves for re-election;
- (d) The Corporations Act contains provisions to ensure that there are at least three directors following such a general meeting. These three positions will be occupied by:
  - (i) the Managing Director; and
  - (ii) the two (or three) people who receive the highest proportion of votes in favour of their appointment at the meeting (even if less than 50% of the votes cast on their election are in favour of their re-appointment).

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## **Resolution 2: Election of Shane Casley as Director**

Under the Constitution, any Director appointed to fill a casual vacancy (other than a Managing Director) holds office only until the conclusion of the next AGM and is eligible for election at that meeting.

Mr Shane Casley was appointed on 6 July 2012 to fill a casual vacancy. Mr Casley is therefore offering himself for election at the AGM.

Mr Casley is currently a managing partner at Affinity Accountants – a well-regarded Victorian accounting firm which has 20 staff and offices in Southbank and Geelong. Shane has 30 years' accounting experience and provides taxation and management advice to a wide range of clients including primary producers, property development, retailers and manufacturers in Australia and overseas.

Shane has previously sat on various boards and was until recently a board member of Seaworks Limited. Shane is also one of Australia's most respected advisors in Sports Management and has been an accredited Australian Football League agent since 1996. He was co-founder of the Football Division of Elite Sports Properties, one of Australia's largest sports management companies.

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## **Resolution 3 and 4 – Approval of issue of securities to security holders of Walla Mines Limited**

### **Background**

As announced to ASX on 17 September 2012 the Company has acquired Walla Shares and Walla Options in consideration of the issue of Shares and Options in the Company.

Resolution 3 seeks Shareholder ratification for the issue by the Company of 7,200,000 Shares in consideration of the acquisition of 4,000,000 Walla Shares.

Resolution 4 seeks Shareholder ratification for the issue by the Company of 3,750,000 Options in consideration of the acquisition of 2,500,000 Walla Options.

## Reason for approval

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 may be treated as having made with such approval if the holders of ordinary securities of the company subsequently approve it.

## Information required by the Listing Rules

In compliance with the information requirements of Listing Rule 7.5 that relate to the seeking of approval, Shareholders are advised of the following particulars in relation to the issue of Shares the subject of Resolution 3:

(a) *Number of securities allotted:*

7,200,000 Shares

(b) *The price at which the securities were issued:*

\$0.0312

(c) *The terms of the securities:*

The Shares rank equally in all respects with the prior Shares on issue.

(d) *The names of the allottees and the basis upon which allottees were determined:*

The allottees were the following holders of Walla Shares:

	Walla Shares	EPM Shares
Prime Fines Pty Ltd <Prime Fines A/c>	273,375	492,075
Jemamebe Pty Ltd <Jasmine A/c>	726,625	1,307,925
S&CJ Pty Ltd	1,500,000	2,700,000
Ghan Resources Pty Ltd	1,500,000	2,700,000
	<b>4,000,000</b>	<b>7,200,000</b>

(e) *Intended use of funds raised:*

No funds were raised from the issue of Shares.

(f) *Date of allotment:*

The Shares were allotted on 13 September 2012.

In compliance with the information requirements of Listing Rule 7.5 that relate to the seeking of approval, Shareholders are advised of the following particulars in relation to the issue of Options the subject of Resolution 4:

(a) *Number of securities allotted:*

3,750,000 Options

(b) *The price at which the securities were issued:*

\$0.0012

(c) *The terms of the securities:*

The Options were issued on the terms set out in Annexure A.

(d) *The names of the allottees and the basis upon which allottees were determined:*

The allottees were the following holders of Walla Options:

	<b>Walla Options</b>	<b>EPM Options</b>
Prime Fines Pty Ltd <Prime Fines A/c>	1,000,000	1,500,000
S&CJ Pty Ltd	750,000	1,125,000
Ghan Resources Pty Ltd	750,000	1,125,000
	<b>2,500,000</b>	<b>3,750,000</b>

(e) *Intended use of funds raised:*

No funds were raised from the issue of Shares.

(f) *Date of allotment:*

The Options were allotted on 13 September 2012.

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## **Resolution 5 – Approval of change to scale of activities**

### **Background**

As announced to ASX on 17 September 2012 the Company has invested in Walla initially through the provision of a loan and subsequently through the conversion of that loan to equity and the acquisition of additional Walla Shares and Walla Options.

Resolution 5 seeks approval from Shareholders pursuant to Listing Rule 11.1.2 for a change to the scale of activities of the Company as a result of the proposed acquisition of shares and options in Contour Resources Pty Ltd, the largest shareholder in Walla. The Company has offered to acquire all of the Contour Shares and Contour Options on the terms set out below. If the Company is successful in acquiring a majority of Contour Shares it will indirectly obtain a controlling interest in Walla through a combination of its direct shareholding in Walla and its holding in Contour.

### **Reason for Approval**

Listing Rule 11.1.2 provides that where a company proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must, if ASX so requires, obtain the approval of its shareholders and comply with any requirements of ASX in relation to the notice of meeting called to seek that approval.

ASX has advised the Company that the proposed change to the scale of the Company's activities by reason of the proposed acquisition of Contour Shares and Contour Options (together with the earlier acquisitions of Walla Shares and Walla Options) requires the Company, in accordance with these requirements, to obtain Shareholder approval pursuant to Listing Rule 11.1.2.

### **Information in relation to Walla**

Walla is an unlisted exploration company which holds six separate exploration projects situated across Queensland, Northern Territory and New South Wales covering an approximate area of 1,100km<sup>2</sup>, including projects considered prospective for each of manganese, gold, iron ore and bauxite.

A brief overview of each project is set out below.

### Mary Valley Project

- Located 14km southwest of Gympie QLD and covers an area of approximately 210km<sup>2</sup> and comprises three Exploration Mineral Permits (EPM).
- The tenements are prospective for manganese and gold. Previously 31,477 tonnes of Manganese was mined grading **42% - 51% Mn**.
- This project is within the confines of the highly productive Gympie Gold Fields.
- EPM 17672 and 17685 are currently subject to renewal applications. The applications are determined by the Queensland Department of Employment, Economic Development and Innovation (DEEDI).

### Bundaberg Project

- Has small scale historic manganese production with some highly encouraging manganese assay results reflected from surface outcrops, and is located approximately 57km east of Bundaberg in QLD and covers an area of 40km<sup>2</sup> and comprises one EPM.

### Yellow Jack Project

- Has a JORC-compliant Inferred Mineral Resource down to 50 metres vertical depth of **855,000t @ 1.41 g/t Au (40,200 ounces)** completed in 2009 by Odessa Resources Pty Ltd. This resource is based on 40 RC holes for 3,200 metres and a wirefamed model of mineralisation using a 0.6 g/t Au assay cutoff was built. Estimation was based on inverse distance squared interpolation within wireframes and the resource quoted uncut and with a 6 g/t Au top cut as shown in Table 1 below:

INFERRED RESOURCE			
Top Cut	Tonnes	Grade (g/t)Au	Contained Metal (ounces)
6	885,050	1.41	40,228
0	885,050	1.47	41,718

Table 1 Yellow Jack Resource table

- Located 215km west of Townsville (QLD) and is 130km<sup>2</sup> and comprises one EPM.
- EPM 17321 is currently subject to a renewal application. The application is determined by the DEEDI.

### Moonford Project

- The Moonford Project covers 125 km<sup>2</sup> and is prospective for iron ore.
- Located approximately 15 km north-west of Moonford (Qld) and comprises one EPM.

### West McArthur Project

- Prospective for manganese mineralisation.
- Located 850km southeast of Darwin and comprises one 600km<sup>2</sup> Exploration Licence (EL).

### Moss Vale Project

- Prospective for bauxite.
- Located approximately 170kms from Sydney and comprises one Exploration Licence Application (ELA 4507) that covers a total area of 30 km<sup>2</sup>. The administrative process regarding the grant of the Exploration Licence is expected to be finalised shortly.
- Walla has granted an option to ABX2 Pty Ltd for an option fee of \$25,000 to acquire the tenement for a purchase price between \$100,000 and \$250,000 (depending on when the option is exercised) on the basis that ABX2 Pty Ltd is required to meet all costs and expenditure requirements in relation to the tenement during the option period.



Figure 1 Walla Mines Tenements

### Competent Person Statement

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In addition surface sampling assays and drill sample results may also be discussed in the context of information describing the presence of anomalous mineral content. The above information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Mineral Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

The information in this statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by independent consulting geologist Brian Davis who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Davis is employed by Geologica Pty Ltd and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears.

### Transaction Details

The Company currently holds 5,890,000 Walla Shares representing approximately 16.5% of the issued capital of Walla and 7,500,000 Walla Options representing 33% of the options on issue in Walla.

Contour is the largest shareholder in Walla holding approximately 39% of the issued capital of Walla and 30% of the options on issue in Walla.

Contour is a private company with 48 shareholders. Contour's only assets are Walla Shares and Walla Options and it has no liabilities.

The Company has offered to acquire each Contour Share in exchange for 1.8 Shares in the Company and each Contour Option in exchange for 1.5 Options in the Company, subject to Shareholder approval.

As at the date of this Explanatory Memorandum the Company has received acceptances for 87.6% of the Contour Shares and 89.2% of the Contour Options.

### Exploration of Walla Tenements

In the event that the Company is successful in acquiring a majority of Contour Shares (and thereby indirectly obtaining a controlling interest in Walla), the Board intends to enter into discussions with the Walla Board to seek appropriate representation on the Walla Board, and work with the Walla Board to formulate an exploration program for Walla's Queensland and Northern Territory tenements going forward. Until this stage the Company is not in a position to ascertain the extent of additional funding that may be required by Walla to implement its exploration objectives or the extent to which the Company will contribute to any funds required for such exploration. As set out above ABX2 Pty Ltd is required to meet all costs and expenditure in relation to Walla's NSW tenement once it is granted.

### Pro Forma Statement of Financial Position

A Pro Forma Statement of Financial Position of the Company setting out the effect of the previous acquisitions by the Company of Walla Shares and Walla Options and the proposed acquisition by the Company of all Contour Shares and Contour Options is set out below:

<b>ECLIPSE METALS LIMITED</b>				
<b>PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
<b>AS AT 30 JUNE 2012</b>				
		<b>Audited 30-Jun-12</b>	<b>Pro-forma Transactions</b>	<b>Unaudited Pro-forma</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		851,189	-	851,189
Trade and other receivables	1	121,974	(4,167)	117,807
Other assets	1	740,000	(90,000)	650,000
<b>TOTAL CURRENT ASSETS</b>		<b>1,713,163</b>	<b>(94,167)</b>	<b>1,618,996</b>
<b>NON-CURRENT ASSETS</b>				
Other financial assets	2	550,000	2,703,924	3,253,924
Plant and equipment		16,240	-	16,240
Deferred exploration and evaluation expenditure		14,041,583	-	14,041,583
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,607,823</b>	<b>2,703,924</b>	<b>17,311,747</b>
<b>TOTAL ASSETS</b>		<b>16,320,986</b>	<b>2,609,757</b>	<b>18,930,743</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables		171,283	-	171,283
<b>TOTAL CURRENT LIABILITIES</b>		<b>171,283</b>	<b>-</b>	<b>171,283</b>
<b>NON-CURRENT LIABILITIES</b>				
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>171,283</b>	<b>-</b>	<b>171,283</b>
<b>NET ASSETS</b>		<b>16,149,703</b>	<b>2,609,757</b>	<b>18,759,460</b>
<b>EQUITY</b>				
Issued capital	2	18,711,654	2,609,424	21,321,078
Reserves		21,039	-	21,039
Accumulated losses	1	(2,582,990)	333	(2,582,657)
Parent interest		16,149,703	2,609,757	18,759,460
Non-controlling interest		-	-	-

TOTAL EQUITY	16,149,703	2,609,757	18,759,460
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**Notes:**

- 1 Conversion of \$90,000 loan to Walla Mines Limited on 27/7/2012 for the issue of 1,890,000 Walla Mines shares @ \$0.05 each including \$4,500 interest
  
- 2 Walla Mines Limited  
Acquisition of 1,890,000 Walla Mines shares @ \$0.05 on 27/7/2012

- Shares	\$	94,500
	\$	94,500
  
- 2 Walla Mines Limited  
Acquisition of 4,000,000 Walla Mines Limited Shares & 2,500,000 Walla Mines Limited Options on 13/9/2012  
Consideration being 7,200,000 Eclipse Metals Shares @ \$0.039 per share & 3,750,000 Eclipse Metals Options @ \$0.0076 per Option

- Shares	\$	280,800
- Options	\$	28,500
	\$	309,300
  
- 2 Contour Resources Pty Limited  
Acquisition of 1 Contour Resources Pty Limited Share by the issue of 1.8 Eclipse Metals Limited Share  
Acquisition of 1 Contour Resources Pty Limited Option by the issue of 1.5 Eclipse Metals Limited Option  
Consideration being 77,400,000 Eclipse Metals Shares @ \$0.021 per share based on most recent EPM trading price prior to preparation of pro forma statement & 88,779,480 Eclipse Metals Options @ \$0.0076 per option

- Shares	\$	1,625,400
- Options	\$	674,724
	\$	2,300,124

**Pro Forma Capital Structure**

The capital structure of the Company following the acquisition of Contour Shares and Contour Options (assuming 100% acceptances) and assuming no further securities are issued prior to completion of the acquisition of Contour is set out below:

	Shares	Options
Current issued capital	146,345,308	34,082,665
Maximum shares and options to be issued pursuant to acquisition of Contour	77,400,000	88,779,480
Total on completion of acquisition	223,745,308	122,862,145

The Company is also seeking approval at the AGM for a proposed capital raising but as neither the pricing of that capital raising or the number of securities to be issued has not been finalised it is not considered appropriate to include the capital raising in either the pro forma capital structure of the pro forma statement of financial position. In this context it is important to note that the acquisition of Contour is not contingent on the proposed capital raising occurring.

**Plans for the Company if the Resolution is not passed**

If Shareholders do not approve the proposed change in scale of the Company and therefore the acquisition of Contour does not proceed, the Company will continue to develop its existing projects and continue to look for additional projects and investments in the Australian mining exploration sector consistent with its stated strategy.

## Directors' Recommendation

The Directors of the Company unanimously recommend the Shareholders vote in favour of the Resolution. The acquisition of Contour (which will deliver the Company an indirect controlling interest in Walla) will give the Company a controlling interest in a series of prospective exploration projects across Queensland, Northern Territory and New South Wales including projects considered prospective for each of manganese, gold, iron ore and bauxite. In the view of the Directors this will enhance and further diversify the Company's existing portfolio of exploration projects and investments in exploration companies, both geographically and across commodities.

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## Resolutions 6 and 7 – Approval of issue of securities to security holders of Contour Resources Pty Ltd

### Background

As announced to ASX on 17 September 2012 the Company is seeking to acquire Contour, the largest shareholder in Walla. Contour holds approximately 39% of the Walla Shares and 30% of the Walla Options on issue. In the event that the Company acquires a controlling interest in Contour, therefore, the Company will also have acquired effective control of Walla. Further details in relation to Walla and its assets are set out above in relation to Resolutions 3 and 4.

The Company has made an offer to each Contour shareholder to acquire each Contour Share in exchange for 1.8 Shares in the Company. Resolution 6 seeks shareholder approval for the Company to issue Shares in consideration of this offer.

The Company has made an offer to each Contour optionholder to acquire each Contour Option in exchange for 1.5 Options in the Company. Resolution 7 seeks shareholder approval for the Company to issue Options in consideration of this offer.

### Reason for Approval

Listing Rule 7.1 provides that a company must not, without the approval of its ordinary security holders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that period.

### Information required by the Listing Rules

In compliance with the information requirements of Listing Rule 7.3 that relate to the seeking of approval under Listing Rule 7.1, Shareholders are advised of the following particulars in relation to the proposed issue of Shares pursuant the subject of Resolution 6:

(a) *Maximum number of securities proposed for issue:*

77,400,000 Shares

(b) *Date by which the Company will issue and allot securities:*

It is intended that the Shares will be issued 5 business days after the approval of Resolution 5 and in any event no later than three months after shareholder approval.

(c) *Price at which the securities proposed for issue:*

The Shares will be issued in consideration of the acquisition of Contour Shares. The price ascribed to the Shares issued will be the market price at the date of issue.

(d) *Basis upon which allottees will be determined:*



The allottees will be holders of Contour Shares. None of the proposed allottees are related parties of the Company.

(e) *Terms of issue:*

The Shares will rank equally in all respects with the existing Shares on issue.

(f) *Intended use of funds raised:*

No funds will be raised from the issue.

(g) *Date of allotment:*

It is intended that the Shares will be issued on the same date.

In compliance with the information requirements of Listing Rule 7.3 that relate to the seeking of approval under Listing Rule 7.1, Shareholders are advised of the following particulars in relation to the proposed issue of Options the subject of Resolution 7:

(a) *Maximum number of securities proposed for issue:*

88,779,480 Options

(b) *Date by which the Company will issue and allot securities:*

It is intended that the Options will be issued 5 business days after the approval of Resolution 6 and in any event no later than three months after shareholder approval.

(c) *Price at which the securities proposed for issue:*

The Options will be issued in consideration of the acquisition of Contour Options. The price ascribed to the Options issued will be the market price at the date of issue.

(d) *Basis upon which allottees will be determined:*

The allottees will be holders of Contour Options. None of the proposed allottees are related parties of the Company.

(e) *Terms of issue:*

The Options will be issued on the terms set out in Annexure A.

(f) *Intended use of funds raised:*

No funds will be raised from the issue.

(g) *Date of allotment:*

It is intended that the Options will be issued on the same date.

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## **Resolutions 8 and 9 – Approval of proposed capital raising**

### **Background**

The Company is seeking approval for a capital raising to raise additional capital at an issue price of at least 80% of the average market price for Shares traded on ASX over the last five days on which sales of Shares are recorded before the date on which the issue is made. The Company is also seeking approval to offer 1 Option for every 2 Shares issued as part of the proposed capital raising.

## Reason for Approval

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Resolutions 8 and 9 seek Shareholder approval for the Company to issue up to 40,000,000 Shares and up to 20,000,000 Options respectively.

## Information required by ASX Listing Rules

In compliance with the information requirements of ASX Listing Rule 7.3 Shareholders are advised of the following particulars in relation to the proposed issue of Shares the subject of Resolution 8:

(a) *Maximum number of securities proposed for issue:*

40,000,000 Shares

(b) *Date by which the Company will issue and allot securities:*

No later than three months after Shareholder approval.

(c) *Price at which the securities proposed for issue:*

No less than 80% of the average market price for Shares calculated over the last five days on which sales of Shares are recorded on ASX before the date(s) on which the issue is made.

(d) *Basis upon which allottees will be determined:*

The allottees will be sophisticated, professional and other investors who are entitled to receive exempt offers under Section 708 of the Corporations Act.

No related parties of the Company are entitled to participate in the proposed issue.

(e) *Terms of issue:*

The Shares will rank equally in all respects with the existing Shares on issue.

(f) *Intended use of funds raised:*

It is intended that the funds raised will be used to fund exploration expenditure on the Company's exploration portfolio and on the exploration portfolio of companies in which the Company has invested and for working capital purposes.

(g) *Date of issue:*

The Shares will be issued progressively as the placement funds are received.

In compliance with the information requirements of ASX Listing Rule 7.3 Shareholders are advised of the following particulars in relation to the proposed issue of Options the subject of Resolution 9:

(a) *Maximum number of securities proposed for issue:*

20,000,000 Options.

(b) *Date by which the Company will issue and allot securities:*

No later than three months after Shareholder approval.

(c) *Price at which the securities proposed for issue:*

The Options will be issued for no monetary consideration on the basis that 1 attaching Option may be offered for every 2 Shares issued as part of the proposed capital raising the subject of Resolution 8.

(d) *Basis upon which allottees will be determined:*

The allottees will be sophisticated, professional and other investors who are entitled to receive exempt offers under Section 708 of the Corporations Act.

No related parties of the Company are entitled to participate in the proposed issue.

(e) *Terms of issue:*

The terms of the Options are set out in Annexure A.

(f) *Intended use of funds raised:*

No funds are to be raised from the proposed issue.

(g) *Date of issue:*

The Options will be issued progressively as the placement funds are received.

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### **Questions and Comments**

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the management of the Company.

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## Annexure A

### Terms and Conditions of Options

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The terms and conditions of the Options are as follows:

- a) Each Option entitles the holder to subscribe for and be allotted one Share.
- b) The Options are exercisable at 6 cents each.
- c) The Options will expire on 30 November 2016 (**Expiry Date**).
- d) The Options are exercisable at any time on or prior to the Expiry Date by notice in writing to the directors of the Company accompanied by payment of the exercise price.
- e) The Options are freely transferable.
- f) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Options.
- g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the Expiry Date, the Company makes an issue of new shares to the holders of Shares, the Company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- h) If from time to time on or prior to the Expiry Date the Company makes an issue of shares to the holders of Shares by way of capitalisation of profits or reserves (a bonus issue), then upon exercise of their options, Option holders will be entitled to have issued to them (in addition to the shares which would otherwise be issued to the member upon such exercise) the number of shares of the class which would have been issued to them under that bonus issue (**Bonus Shares**) if on the record date for the bonus issue they had been registered as the holder of the number of shares of which they would have been registered as holder if, immediately prior to that date, they had duly exercised their Options and the shares the subject of such exercise had been duly allotted and issued to them. The Bonus Shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options.
- i) There is no right to a change in the exercise price of the Options or to the number of Shares over which the options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- j) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an Option holder will be changed to the extent necessary to comply with the applicable Listing Rules in force at the time of the reorganisation.

# ECLIPSE METALS LIMITED

ACN 142 366 541

## PROXY FORM

Name  
Address

### Appointment of a proxy

I/We being a member(s) of Eclipse Metals Limited hereby appoint:

(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Eclipse Metals Ltd to be held at NKH, Level 2, Spectrum, 100 Railway Road, Subiaco, Western Australia on Friday, 30 November 2012 at 11.30am (WST) and at any adjournment of that meeting.

### Votes on items of business

(Voting directions to your proxy – please mark **X** to indicate your directions)

		FOR	AGAINST	ABSTAIN*
Item 1	- Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	- Election of Director – Shane Casley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	- Ratification of issue of shares to shareholders of Walla Mines Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	- Ratification of issue of options to optionholders of Walla Mines Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	- Approval of change to scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	- Approval of issue of shares to shareholders of Contour Resources Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7	- Approval of issue of options to optionholders of Contour Resources Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8	Approval of issue of shares for proposed capital raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9	Approval of issue of options for proposed capital raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

### Appointment of a second proxy

I/We wish to appoint a second proxy

mark with an "X" if you wish to appoint a second proxy AND  % OR  State the percentage of your voting rights or the number of shares for this Proxy Form

If the Chairman is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of a resolution and that the votes cast by the Chairman for those resolutions other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote any undirected proxies in favour of all resolutions. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on a resolution if the Chairman is a person whose votes are required to be disregarded on that resolution, and your votes will not be counted in calculating the required majority if a poll is called on that resolution.

### Authorised signature(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

INDIVIDUAL/SECURITY HOLDER 1  
Individual/Sole Director and Sole  
Company Secretary

SECURITY HOLDER 2  
Director

SECURITY HOLDER 3  
Director/Company Secretary

### Contact details

Contact Email address

Contact Telephone Number

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## Voting By Proxy - How to complete the Proxy Form

### 1. Your Name and Address Details

Please complete your name and address as it appears on the share register of Eclipse Metals Ltd.

### 2. Appointment of a Proxy

Please write the name of that person you wish to appoint as proxy in the space indicated. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy and vote on your behalf. A proxy need not be a shareholder of Eclipse Metals Ltd.

### 3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark one of the three boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy will vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 4. Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

- indicate that you wish to appoint a second proxy by marking the box;
- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form; and
- return both forms together.

### 5. Authorised Signature/s

You must sign this form as follows in the spaces provided:

- **Joint Holding** in the case of joint holders the proxy form must be signed by all holders.
- **Power of Attorney** if signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach the Power of Attorney or a copy to this Proxy Form when you return it.
- **Companies** a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also the sole Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting and a proxy form is not used, then an appropriate "Certificate of Appointment of Representative" should be produced prior to admission.

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## Lodgement of Proxy Form

This Proxy Form and any Power of Attorney or other authority under which it is signed (or a copy or facsimile which appears on its face to be an authentic copy of the proxy, power or authority) must be received no later than 48 hours before the commencement of the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting. **Documents may be lodged by facsimile to the registered office on (08) 9200 4964 (within Australia) or +61 8 9200 4964 (outside Australia), or by mail or delivery to the registered office of the Company at 309 Pier Street, Perth WA 6000 AUSTRALIA.**