



ABN: 85 142 366 541

**Financial Report For The Half-Year Ended
31 December 2012**

ECLIPSE METALS LIMITED AND CONTROLLED ENTITIES

ABN: 84 142 366 541

Financial Report For The Half-Year Ended 31 December 2012

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**ECLIPSE METALS LIMITED
AND CONTROLLED ENTITY
CORPORATE INFORMATION**

DIRECTORS

Mr Graeme Allan (Non-Executive Chairman)
- Resigned 14th March 2013
Mr Emilio Pietro Del Fante (Managing Director)
Mr Shane Casley (Non-Executive Director)
- Appointed 6th July 2012
Mr David Sanders (Non-Executive Director)
- Resigned 6th July 2012

COMPANY SECRETARY

Mr Robert Marusco

REGISTERED OFFICE

Level 2, Spectrum
100 Railway Road
Subiaco WA 6008

PRINCIPAL PLACE OF BUSINESS

Level 2, Spectrum
100 Railway Road
Subiaco WA 6008

POSTAL ADDRESS

Eclipse Metals Limited
PO Box 8281
Subiaco WA 6008

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

LEGAL ADVISORS

Bennett +Co
Level 10, BGC Centre
28 The Esplanade
Perth WA 6000

SHARE REGISTRY

Share Transfer Registers Pty Ltd
770 Canning Highway
Applecross WA 6953

INTERNET ADDRESS

www.eclipsemetals.com.au

ASX CODES

Shares EPM
Options EPMO

COUNTRY OF INCORPORATION AND DOMICILE

Australia

ECLIPSE METALS LIMITED AND CONTROLLED ENTITY DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the Company and its controlled entities for the half-year ended 31 December 2012.

Information on Directors

The names of the Company's directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Graeme Allan	— (Non - Executive Chairman) Resigned 14 March 2013
Mr Emilio Pietro Del Fante	— (Managing Director)
Mr Daryl Smith	— (Non-Executive Director) Appointed 1 February 2013
Mr Shane Casley	— (Non-Executive Director) Appointed 6 July 2012 and Resigned 29 January 2013
Mr David Sanders	— (Non-Executive Director) Resigned 6 July 2012

Review of Operations

Eclipse Project

The Eclipse Project is located 200km northwest from Alice Springs in the Ngalia Basin. Numerous deposits are found within this basin including the Bigrlyi Deposit (Energy Metals Limited, ASX:EME). Within the Eclipse licences there are historically recorded mineral occurrences including Currinya and Mount Wedge prospects.

The company completed over 1,600 line km's of a Tempest Electromagnetic program in the Eclipse Project in late 2011. Data has been processed by the company's geophysicist and drilling programs have been designed to test conductive targets over two tenements (EL24625 and EL24637). These conductive targets may represent both structure related conductive features as well as interpreted sedimentary targets. Mining Management Plans have been submitted to the Northern Territory Government and the Central Land Council.

Eclipse has participated in the final workshop of the CSIRO Joint Surveys Uranium Ngalia Basin Project and received the final report. The information has provided a new found understanding of uranium mineralisation within the Ngalia basin. A project review and new target generation has been conducted using this information.

Pine Creek Project

The Pine Creek Project area is comprised of 9 granted tenements and five 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 in the Northern Territory. 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 REE.

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 mapping to increase geological understanding of the area. During the trip assessment of the historical diamond core from the tenements held at the NT Geological Survey core yard was conducted.

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 surveys have been completed and clearance received.

Eclipse Metals holds over 26,300km² in the Northern Territory comprising 12 granted exploration licences and 33 exploration licence applications.

Eclipse has six main project areas:

- The Eclipse Project in the Ngalia Basin comprises 3 granted exploration licences (1528km²) and 3 exploration licence applications (3908km²). The Ngalia is prospective for a variety of uranium mineralisation styles and hosts the Bigrlyi Deposits (Energy Metals Ltd, ASX:EME), New Well Deposit (Deep Yellow Limited, ASX:DYL) and Afghan Swan Prospect (Thundelarra Exploration Limited, ASX:THX).
- The Pine Creek Project comprises 9 granted exploration licences and 5 exploration licence applications which are all located within the Pine Creek Orogen Province which hosts the Rum Jungle Mineral Field.
- West Arnhem Project is 5 exploration licences applications in an area known for high grade mineralisation at Nabarlek, Jabiluka and Ranger (Energy Resources Australia, ASX:ERA) within the Alligator River Uranium Field.
- North Arunta Project comprises 16 exploration licence applications which are considered prospective for uranium mineralisation but have not been historically explored. The projects are focussed in two main areas; Tanami and Yuendumu. The Tanami project is considered prospective for uranium, base metals and gold whilst Yuendumu is considered prospective for gold and base metals.
- Lake Mackay Project comprises 1 exploration licence application (159km²) located near the Northern Territory and West Australian border. The area is prospective for surface mineralisation and also sandstone mineralisation analogous to the Theseus Prospect (Toro Energy Limited, ASX:TOE).
- Canning Basin Project includes 1 exploration licence application (516km²) with an airborne radiometric target and no historical exploration.

Eclipse company geologist completed a comprehensive review of all projects and tenements with in order to change the focus and re-prioritise their prospectivity. As a result of this the company will consolidate and relinquish some of it's ground to concentrate on the Pine Creek region of the Northern Territory.

ECLIPSE METALS LIMITED AND CONTROLLED ENTITY DIRECTORS' REPORT

Corporate

During the last quarter A number of resolutions were passed at the company's AGM including resolutions 6 to 9 which related to the acquisition of Contour Resources Pty Ltd and a Proposed Capital Raising for the company to issue shares and options. Although a Capital Raising was approved at the AGM there has been some difficulty in attracting funds into the company in this current market.

A Working Capital Facility was offered as well as two other proposals, one for a Convertible Note of up to \$2,000,000 and the other a proposed Rights Issue underwritten to \$600,000 but unfortunately none were concluded.

On 13th December 2012 Eclipse declined to extend the Klondyke loan of \$700,000 together with interest and costs and subsequently converted the loan to securities in Klondyke. Following this conversion Eclipse now holds 9,552,344 ordinary shares and 10,000,000 options exercisable at 20 cents in Klondyke.

Eclipse via its acquisition of the issued capital of Contour Resources Pty Ltd (**Contour**) has acquired an indirect controlling interest of 54.39% of Walla Mines Ltd. Walla Mines Limited holds six separate projects that are situated across Queensland, Northern Territory and New South Wales and cover an approximate area of 1,100km².

The tenements were selected because of their quality and potential for manganese, gold, iron and bauxite prospectivity and have been divided into six projects and are situated in Queensland, Northern Territory and New South Wales.

The Walla Mines tenements are summarised below:

Mary Valley Project

- The Mary Valley Project is located 14km southwest of Gympie QLD.
- 4 Exploration Permit for Minerals (EPM) areas which cover an approximate area of 210km².
- The tenements are prospective for manganese and gold.
- 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

The Bundaberg Project is located approximately 57km east of Bundaberg in QLD and comprises 1 EPM covering an area of 40km².

- The project is prospective for manganese.

Yellow Jack Project

- The Yellow Jack Project is located 215km west of Townsville (QLD) and comprises 1 EPM that covers 130km².
- The project is prospective for gold.
- EPM 17321 is currently subject to renewal applications, the application is determined by the DEEDI.

Moonford Project

- The Moonford Project is located 15km northwest of Moonford (QLD) and comprises of 1 EPM that covers 125km².
- The project is prospective for iron ore.

West McArthur Project

- The West McArthur Project is located in the NT, 850km southeast of Darwin and comprises 1 Exploration Licence (EL) that covers 600km².
- The West McArthur Project is prospective for manganese mineralisation.

Moss Vale Project

- The Moss Vale Project is located approximately 170kms from Sydney (NSW) and comprises one Exploration Licence Application (ELA 4507) that covers a total area of 30 km².
- The project is prospective for bauxite.

The company still has capacity remaining under rule 7.1 to continue raising capital to fund its exploration and administration costs and believes a substantial injection of funds will occur soon from a recent proposal currently before us. The terms and conditions of the proposal are being reviewed with a view to conclude a capital injection and satisfactory result for shareholders.

Results of Operations

For the six months to 31 December 2012 the revenue of the consolidated entity was \$207,987 (2011 was \$24,206). The loss after providing for income tax amounted to \$411,734 (2011 loss was \$749,502)

Events After the Reporting Period

On 14 March 2013, the Company signed a Memorandum of Understanding with a private entity to provide an immediate loan facility up to \$500,000 and assistance with securing funding for the Company moving forward.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2012 has been received and can be found on page 4 of the Financial Report.

This declaration forms part of the directors' report.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.



Mr Emilio Pietro Del Fante
Managing Director

Dated: 15 March 2013

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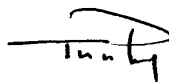
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Eclipse Metals Limited for the half-year ended 31 December 2012, 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



TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2013

ECLIPSE METALS LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

		Consolidated Group	
		31 December 2012	31 December 2011
Note		\$	\$
	Revenue	207,987	24,206
	Employee benefits expense and directors fees	(121,033)	(111,527)
	Consultancy expenses	(256,587)	(293,538)
	Professional services expenses	(88,874)	(113,245)
	Listing costs	(28,387)	(28,093)
	Travel expenses	(11,001)	(17,196)
	Administration expenses	(83,793)	(173,350)
	Impairment of financial assets - available for sale	(24,824)	-
	Depreciation expense	(5,218)	(36,759)
	Finance costs	(4)	-
	Loss before income tax	(411,734)	(749,502)
	Income tax expense	-	-
	Loss for the period	(411,734)	(749,502)
	Other comprehensive income:	-	-
	Total comprehensive loss for the period	(411,734)	(749,502)
	Loss attributable to:		
	Members of the parent entity	(411,734)	(749,502)
	Non-controlling interest	-	-
		(411,734)	(749,502)
	Total comprehensive loss attributable to:		
	Members of the parent entity	(411,734)	(749,502)
	Non-controlling interest	-	-
		(411,734)	(749,502)
	Earnings per share		
	Basic loss per share (cents)	3 (0.26)	(1.04)
	Diluted loss per share (cents)	3 (0.26)	(1.04)

The accompanying notes form part of these financial statements.

ECLIPSE METALS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		Consolidated Group	
		As at	As at
		31 December	30 June
	Note	2012	2012
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,449	851,189
Trade and other receivables		464,240	121,974
Other assets	7	2,308	740,000
TOTAL CURRENT ASSETS		470,997	1,713,163
NON-CURRENT ASSETS			
Financial assets	4	1,851,392	550,000
Plant and equipment		11,022	16,240
Deferred exploration and evaluation expenditure	6	17,336,090	14,041,583
TOTAL NON-CURRENT ASSETS		19,198,504	14,607,823
TOTAL ASSETS		19,669,501	16,320,986
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,199,466	171,283
TOTAL CURRENT LIABILITIES		1,199,466	171,283
TOTAL LIABILITIES		1,199,466	171,283
NET ASSETS		18,470,035	16,149,703
EQUITY			
Issued capital	8	21,281,159	18,711,654
Reserves		25,855	21,039
Accumulated losses		(2,994,724)	(2,582,990)
Parent interest		18,312,290	16,149,703
Non-controlling interest		157,745	-
TOTAL EQUITY		18,470,035	16,149,703

The accompanying notes form part of these financial statements.

ECLIPSE METALS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Issued Capital	Accumulated Losses	Option Reserve	Sub-total	Non- controlling interests	Total
Consolidated Group	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	14,001,819	(900,804)	41,984	13,142,999	-	13,142,999
Comprehensive income						
Loss for the half-year	-	(749,502)	-	(749,502)	-	(749,502)
Total comprehensive loss for the half-year	-	(749,502)	-	(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	-	158,000
Options issued during the half-year	88,735	-	-	88,735	-	88,735
Employee options expensed during the half-year	-	-	7,080	7,080	-	7,080
Total transactions with owners and other transfers	246,735	-	7,080	253,815	-	253,815
Balance at 31 December 2011	14,248,554	(1,650,306)	49,064	12,647,312	-	12,647,312
Balance at 1 July 2012	18,711,654	(2,582,990)	21,039	16,149,703	-	16,149,703
Comprehensive income						
Loss for the half-year	-	(411,734)	-	(411,734)	-	(411,734)
Total comprehensive loss for the half-year	-	(411,734)	-	(411,734)	-	(411,734)
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the half-year (net of costs)	1,887,561	-	-	1,887,561	-	1,887,561
Options issued during the half-year	681,944	-	-	681,944	-	681,944
Employee options expensed during the half-year	-	-	4,816	4,816	-	4,816
Recognition of non-controlling interest of subsidiary	-	-	-	-	157,745	157,745
Total transactions with owners and other transfers	2,569,505	-	4,816	2,574,321	157,745	2,732,066
Balance at 31 December 2012	21,281,159	(2,994,724)	25,855	18,312,290	157,745	18,470,035

The accompanying notes form part of these financial statements.

ECLIPSE METALS LIMITED
STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Consolidated Group
31 December 2012 31 December 2011
\$ \$

CASH FLOWS FROM OPERATING ACTIVITIES

Interest received	281	24,206
Income Tax refunded	-	2,711
Expense reimbursement	-	-
Payments to suppliers and employees	(137,655)	(534,784)
Finance costs	(4)	-
Net cash used in operating activities	<u>(137,378)</u>	<u>(507,867)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from repayment of security deposit	-	37,710
Proceeds from sale of tenements	7,500	-
Loans repaid by other entities	58,000	-
Cash acquired on acquisition of controlled entity	121	-
Purchase of plant and equipment	-	(37,138)
Purchase of available-for-sale investments	-	(500,000)
Payment of security deposit	-	(37,710)
Payments for exploration and evaluation expenditure	(146,005)	(732,163)
Loans to other entities	(650,000)	-
Net cash used in investing activities	<u>(730,384)</u>	<u>(1,269,301)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from borrowings	41,144	-
Proceeds from issue of options	-	88,735
Repayment of borrowings	(9,997)	-
Share issue costs	(10,125)	-
Net cash provided in financing activities	<u>21,022</u>	<u>88,735</u>
Net (decrease) in cash held	<u>(846,740)</u>	<u>(1,688,433)</u>
Cash and cash equivalents at beginning of period	851,189	2,659,179
Cash and cash equivalents at end of period	<u>4,449</u>	<u>970,746</u>

The accompanying notes form part of these financial statements.

ECLIPSE METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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 and 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 2012 and any public announcements made by Eclipse Metals 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) New and revised Accounting Standards

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

(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 2012.

(e) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred losses of \$411,734 for the half-year ended 31 December 2012. The consolidated entity had net cash outflows from operating activities of \$137,378 and from investing activities of \$730,384 for the half-year ended 31 December 2012. At that date, the consolidated entity had net current liabilities of \$728,469.

These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The ability to issue additional shares under the *Corporation Act 2001* to raise further working capital;
- As disclosed in Note 4, the consolidated entity has a investment in an ASX listed company's with a market value of \$517,176 and other investments in unlisted companies at cost of \$1,334,216 at 31 December 2012 and these assets can be sold if required; and
- The consolidated entity has the ability to scale down its operations in order to curtail expenditure, in the event capital raisings are delayed or insufficient is available to meet projected expenditure.
- The geologist has completed a comprehensive review, and potentially may change focus and re-prioritise prospectivity.
- On 14 March 2013, the Company signed a Memorandum of Understanding with a private entity to provide an immediate loan facility up to \$500,000 and assistance with securing funding for the Company moving forward.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

ECLIPSE METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Note 2 Revenue and Other Income

	Consolidated Group	
	31 December 2012	31 December 2011
	\$	\$
Revenue from continuing operations		
Other revenue		
— Interest received	41,446	24,206
— Option based payment	90,909	-
— Expense reimbursement	28,160	-
— Equity settled liability gain	47,472	-
Total revenue	<u>207,987</u>	<u>24,206</u>
	-	-

Note 3 Earnings per Share

	Consolidated Group	
	31 December 2012	31 December 2011
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Loss	(411,734)	(749,502)
Earnings used to calculate basic EPS	<u>(411,734)</u>	<u>(749,502)</u>
Earnings used in the calculation of dilutive EPS	<u>(411,734)</u>	<u>(749,502)</u>
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	155,789,585	72,284,065
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>155,789,585</u>	<u>72,284,065</u>

Note 4 Financial Assets

	Consolidated Group	
	31 December 2012	30 June 2012
	\$	\$
NON-CURRENT		
Financial assets	<u>1,851,392</u>	<u>550,000</u>
Total non-current assets	<u>1,851,392</u>	<u>550,000</u>
(a) Financial assets		
NON-CURRENT		
Listed Investments, at fair value		
— shares in listed corporations	<u>517,176</u>	-
	<u>517,176</u>	-
Unlisted investments, at cost		
— shares in other corporations (i)	1,234,216	500,000
— Options in other corporations (ii)	<u>100,000</u>	<u>50,000</u>
	<u>1,334,216</u>	<u>550,000</u>

(i) On 13 December 2012 the Company converted the loan to plus outstanding interest totalling \$734,216 to shares in Klondyke Gold Limited. This investment is in addition to the \$500,000 already invested in Klondyke Gold Limited on the 24 November 2011.

(ii) On 9 July 2012 the Company acquired 10,000,000 Unlisted Options in Klondyke Gold Limited as part of a loan fee. The Options are exercisable at \$0.20 and expire on the 30 November 2015. On 12 December 2012 the value of the 5,000,000 Unlisted Options in Walla Mines Limited was transferred to the cost of acquisition of Walla Mines Limited as a controlled entity.

ECLIPSE METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Note 5 Controlled Entities

(a) Controlled Entities Consolidated

		Percentage Owned (%)*	
	Country of Incorporation	31 December 2012	30 June 2012
Subsidiaries of Eclipse Metals Limited:			
North Minerals Pty Limited	Australia	100.00	100.00
Central Energy Pty Limited	Australia	100.00	100.00
Whitvasta Pty Limited	Australia	100.00	100.00
U308 Agencies Australia Pty Limited	Australia	100.00	100.00
Walla Mines Limited (i)	Australia	54.39	0.00
Contour Resources Pty Limited	Australia	96.38	0.00

* Percentage of voting power is in proportion to ownership

(i) Direct and Indirect percentage owned.

(b) Acquisition of Controlled Entities

Contour Resources Pty Limited

On 5 December 2012, the Company acquired 96.38% of the issued share capital of Contour Resources Pty Limited ("Contour"). Contour holds a direct ownership interest in Walla Mines Limited of 39.28%.

The acquisition of Contour was treated as an asset purchase. It was impractical to determine the fair value of Contour using other methods; management of the Group therefore measured the purchase based upon the fair value of the shares and options issued in acquiring the company. The total cost of the acquisition was \$2,145,444 and comprised an issue of equity instruments. The Company issued 74,600,000 ordinary shares with a fair value of \$0.02 each and 85,979,480 Unlisted options with a fair value of \$0.0076 each. The fair value of the shares and options are based on the quoted price of the shares and a binomial valuation technique for the option calculation of Eclipse Metals Limited at the date of acquisition.

	Recognised on acquisition \$
Cash and cash equivalents	42
Trade and other receivables	150
Financial Assets	303,300
Exploration and evaluation expenditure	1,853,037
Trade and other payables	(102)
Net assets - non controlling interest	(10,983)
Net assets acquired	<u>2,145,444</u>
Cost of the acquisition	
Shares issued at fair value	1,492,000
Options issued at fair value	653,444
	<u>2,145,444</u>

Walla Mines Limited

On 5 December 2012, the Company acquired 96.38% of the issued share capital of Contour Resources Pty Limited ("Contour"). Contour holds a direct ownership interest in Walla Mines Limited of 39.28% ("Walla"). This acquisition when combined with Eclipse Metals Limited direct ownership interests in Walla gives Eclipse Metals Limited a direct and Indirect controlling interest of 54.39% of Walla.

The acquisition of Walla Mines Limited was treated as an asset purchase. It was impractical to determine the fair value of Walla using other methods; management of the Group therefore measured the purchase based upon the fair value of the shares and options issued in acquiring the company. The total cost of the acquisition was \$757,100 and comprised an issue of equity instruments and the conversion of debt to equity. The Company issued 7,200,000 ordinary shares with a fair value of \$0.039 each and 3,500,000 Unlisted options with a fair value of \$0.0076 each. In addition, the Company had previously acquired a direct equity holding in Walla via the conversion of debt instruments to equity and the receipt of an Option based payment. The fair value of the shares and options are based on the quoted price of the shares and a binomial valuation technique for the option calculation of Eclipse Metals Limited at the date of acquisition.

	Recognised on acquisition \$
Cash and cash equivalents	79
Trade and other receivables	368,276
Exploration and evaluation expenditure	1,088,224
Trade and other payables	(552,717)
Net assets - non controlling interest	(146,762)
Net assets acquired	<u>757,100</u>
Cost of the acquisition	
Loan conversion to shares	94,500
Option based payment	50,000
Shares issued at fair value	584,100
Options issued at fair value	28,500
	<u>757,100</u>

ECLIPSE METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Note 6 Exploration and evaluation expenditure

	Consolidated Group	
	31 December 2012	30 June 2012
Exploration and evaluation expenditure		
Movements in Carrying Amounts		
Balance at beginning of period	\$ 14,041,583	\$ 10,546,419
Additions	353,246	693,390
Acquired on purchase of Contour Resources Pty Ltd and Walla Mines Limited	2,941,261	2,801,774
Total exploration and evaluation expenditure	<u>17,336,090</u>	<u>14,041,583</u>

The ultimate recoupment of costs carried forward in respect of areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas. The Company has an interest in certain exploration tenements and the amounts shown above include amounts expended to date in the acquisition and/or exploration of these tenements.

Impairment

Exploration and Evaluation Expenditure of \$NIL (2012: \$NIL) was written off to the consolidated statement of comprehensive income.

Note 7 Other Assets

	Consolidated Group	
	31 December 2012	30 June 2012
CURRENT		
Loans receivable	\$ 2,308	\$ 740,000
	<u>2,308</u>	<u>740,000</u>

(a) Loans receivable

CURRENT

Loans receivable, at cost

— Walla Mines Limited (i)	-	90,000
— Klondyke Gold Limited (ii)	-	50,000
— Dourado Resources Limited (iii)	2,308	600,000
	<u>2,308</u>	<u>740,000</u>

- (i) On 13 January 2012, the Company entered into a loan agreement with Walla Mines Limited. The terms of the loan are a \$90,000 loan for a period of six (6) months at an Interest rate of 10% per annum. The Company converted the loan to shares in the borrower issued at \$0.05 cents each.
- (ii) On 10 July 2012, the Company announced it had entered into a \$700,000 loan agreement with Klondyke Gold Limited. \$50,000 of this funding agreement had been utilised prior to 30 June 2012. The Company converted the \$50,000 loan to shares in the borrower issued at \$0.05 cents each and the balance being \$650,000 to shares in the borrower issued at \$0.20 cents each..
- (iii) On 29 June 2012, the Company announced it had entered into a \$600,000 loan agreement with Dourado Resources Limited. The Company had also agreed to underwrite a Share Purchase Plan of Dourado Resources Limited. Funds raised under the Share Purchase Plan totalled \$58,000 which were used to repay the loan, with the Company converting the balance of \$542,000 to shares in the borrower issued at \$0.04 cents each.

ECLIPSE METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Note 8 Issued Capital

Issued Capital

Ordinary shares issued and fully paid (a)
Options issued (b)
Issued capital

Consolidated Group	
31 December 2012	30 June 2012
\$	\$
20,435,480	18,547,919
845,679	163,735
<u>21,281,159</u>	<u>18,711,654</u>

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

At 1 July 2012

Shares issued during the period

- Issued on 13 September 2012 for acquisition in controlled entity
- Issued on 5 December 2012 for acquisition in controlled entity
- Issued on 5 December 2012 for services rendered to the Company
- Share issue costs

At 31 December 2012

Consolidated Group	
Number	\$
139,145,308	18,547,919
7,200,000	280,800
74,600,000	1,492,000
9,494,333	189,886
-	(75,125)
<u>230,439,641</u>	<u>20,435,480</u>

(b) Options Issued

At 1 July 2012

Options issued during the period

- Issued on 13 September 2012 for acquisition in controlled entity
- Issued on 5 December 2012 for acquisition in controlled entity
- Issued on 5 December 2012 for services rendered to the Company, 1:1 free attaching options

At 31 December 2012

Consolidated Group	
Number	\$
29,932,665	163,735
3,750,000	28,500
85,979,480	653,444
9,494,333	-
<u>129,156,478</u>	<u>845,679</u>

(c) Capital Management

Management control the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Note 9 Contingent Liabilities and Contingent Assets

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

Note 10 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 (2012 - nil).

All the assets are located in Australia only.

Note 11 Events After the Reporting Period

Other than the following, 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.

On 14 March 2013, the Company signed a Memorandum of Understanding with a private entity to provide an immediate loan facility up to \$500,000 and assistance with securing funding for the Company moving forward.

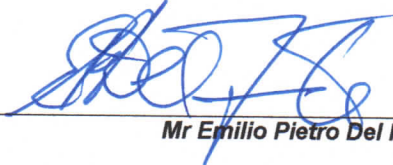
**ECLIPSE METALS LIMITED
AND CONTROLLED ENTITY
DIRECTORS' DECLARATION**

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

1. the financial statements and notes, as set out on pages 5 to 13, 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 2012 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 Emilio Pietro Del Fante

Dated this 15th day of March 2013

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8 St Georges Terrace, Perth, WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9251 9100 F +61 8 9261 9101
www.rsmi.com.au

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

We have reviewed the accompanying half-year financial report of Eclipse Metals Limited which comprises the statement of financial position as at 31 December 2012, 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 internal 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 half-year 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 2012 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 Metals 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 Metals 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 Metals 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 2012 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*.

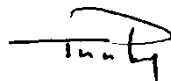
Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that during the half-year ended 31 December 2012, the consolidated entity incurred a net loss of \$411,734 and had net cash outflows from operating activities of \$137,378. As at that date, the consolidated entity had net current liabilities of \$728,469.

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2013