

## Quarterly Activities Report and Appendix 5B For the Quarter ending 31 December 2013

The Board of Eclipse Metals Limited ("the Company") is pleased to provide the following commentary and Appendix 5B.

### Projects

During the quarter, the Company issued upgraded reports to the Australian Stock Exchange ("ASX") covering its Iron, Manganese and Uranium project areas in Queensland and Northern Territory.

A definitive re-assessment of the Yellow Jack resource was commissioned to bring it into line with new JORC Code rules to determine if a stand-alone or joint venture mining operation could be viable.

The Mary Valley tenements have been the subject of an approach by parties interested in conducting an exploration programme to assess the size and overall grade of manganese deposits with a view to developing a mining and shipping operation. Details will be announced when negotiations have progressed.

The Northern Territory tenements, both granted and under application, covering areas prospective for uranium are now the subject of an approach for joint venture or acquisition. Negotiations are on-going.

### ECLIPSE METALS LTD

Eclipse Metals Limited is an Australian company with a portfolio (over 24,000 km<sup>2</sup>) of quality iron, manganese, gold, uranium and base metal projects in the highly prospective Archaean and Proterozoic metallogenic provinces of the Northern Territory, Queensland and New South Wales of Australia.

### BOARD

Carl Popal  
Director

Rodney Dale  
Director

Justin Barton  
Director

### COMPANY SECRETARY

Keith Bowker

### REGISTERED OFFICE

Suite 1/56 Kings Park Road  
West Perth WA 6005  
Phone: +61 8 9481 0544  
Fax: +61 8 9481 0655

### PRINCIPAL PLACE OF BUSINESS

Level 3, 1060 Hay Street  
West Perth WA 6005  
Phone: +61 8 9480 0420  
Fax: +61 8 9321 0320

### AUSTRALIAN BUSINESS NUMBER

85 142 366 541

### SHARE REGISTRY

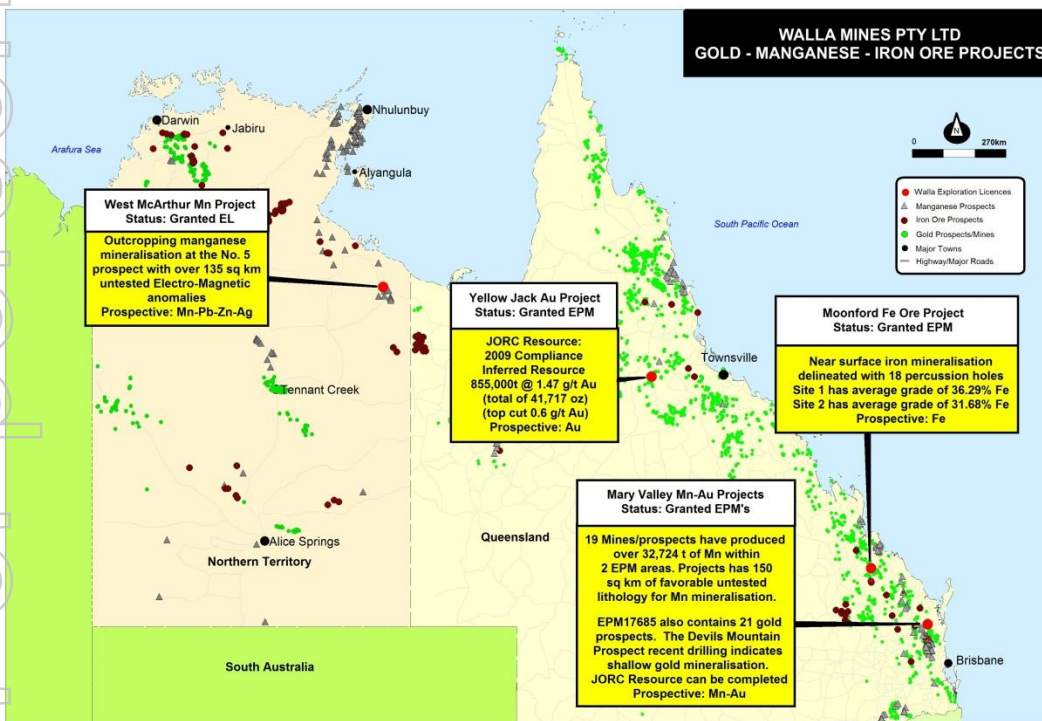
Security Transfer Registrars  
770 Canning Highway  
Applecross WA 6153

### ASX CODE

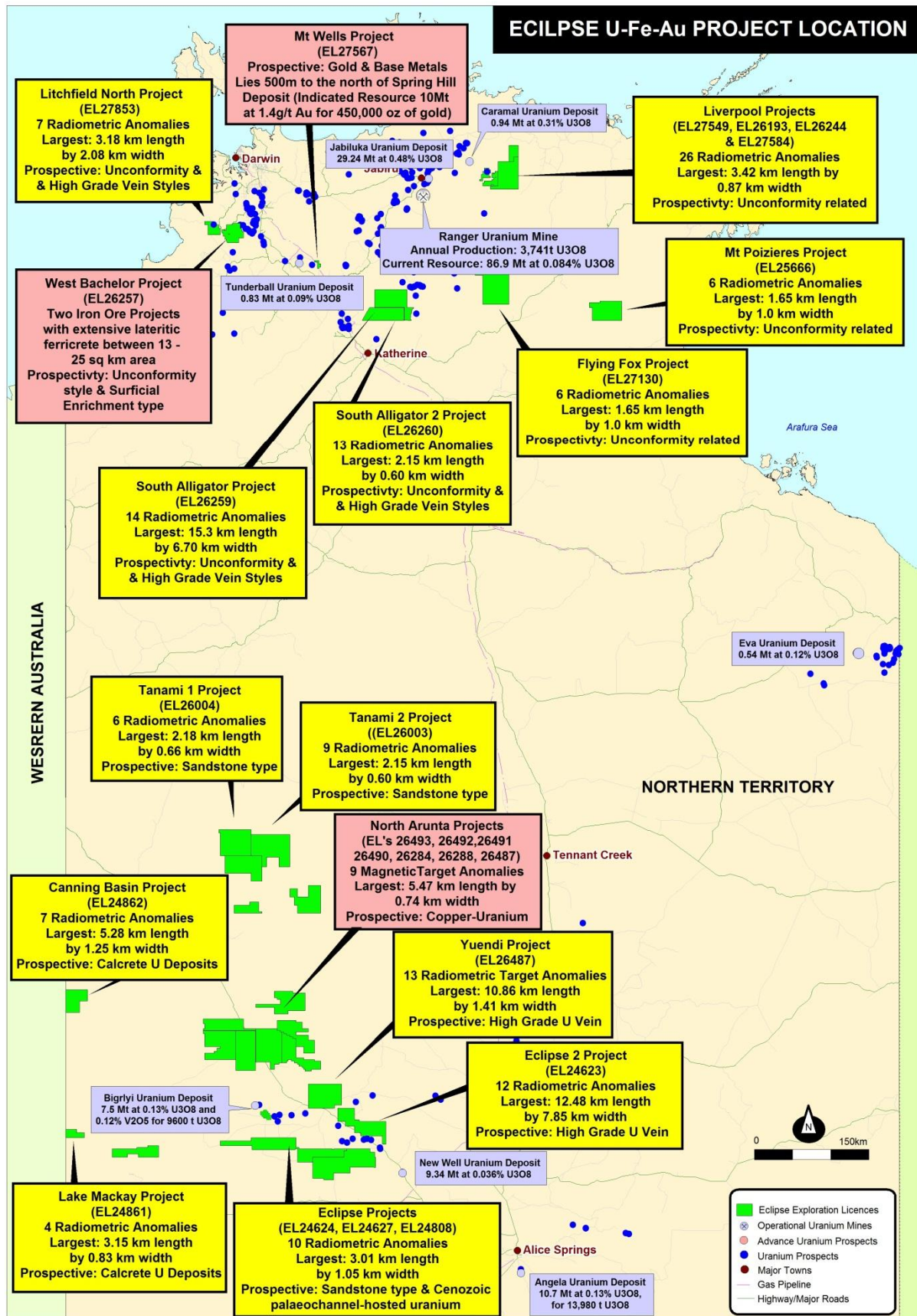
EPM

### WEBSITE

[www.eclipsemetals.com.au](http://www.eclipsemetals.com.au)



Eclipse Metals Limited holds a 56% interest in its subsidiary Walla Mines Pty Ltd.



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## **Corporate**

The following changes were made to the Board during the quarter:

Mr Giles Rodney Dale, geologist, was appointed as non-executive director in October 2013. Mr Dale is a Fellow of the Royal Melbourne Institute of Technology with over 50 years mineral exploration and mining experience in many parts of Australia, also in Indonesia, Africa, South America, India and China. Mr Dale has previously been an executive director of two Australian public mining companies. He is also a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Peter Landau, chairman, and Ms Jane Flegg, company secretary, both retired from the Board early in October 2013. We thank them for their valuable contribution to the management of the Company.

Mr David Sanders retired as a director in November 2013. We thank Mr Sanders for his significant contribution to the Company.

Mr Justin Barton was appointed as non-executive director in December 2013. Mr Barton is a chartered accountant (CA) with over 16 years' experience in accounting, international finance and mining. During this time, Mr Barton has held various senior executive positions and has worked in Australia, Europe, Africa and United States. He has also worked with many leading international mining companies in gold, uranium and base metals. He worked for 3 years at Paladin Energy Limited with uranium projects in Australia, Africa and Canada.

In addition, during the quarter, Mr Keith Bowker from Somerville Corporate was appointed as Company Secretary.

For and on behalf of the Board



Carl Popal  
Executive Director

For further information please contact

Carl Popal  
Executive Director  
T: 61 8 9480 0420

Keith Bowker  
Company Secretary  
T: 61 8 9481 0544

## **Competent Person's Statement**

*The information in this report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Kastellco Geological Consultancy on behalf of Mr Giles Rodney (Rod) Dale. Mr Dale is a fellow of the Australasian Institute of Mining and Metallurgy. Mr Dale is a Director of Eclipse Metals Limited. Mr Dale has sufficient experience relevant to the styles of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Dale consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Some of the information in this report may relate to previously released Exploration Results and subsequently prepared and first disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company is not aware of any new information or data that materially affects the information in this report and such information is based on the information compiled by Kastellco Geological Consultancy on behalf of Mr Giles Rodney (Rod) Dale, who is a fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the styles of mineralisation under consideration and to the activity which he is undertaking 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 Dale consents to the report being issued in the form and context in which it appears.*

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Eclipse Metals Limited

ABN

85 142 366 541

Quarter ended ("current quarter")

31 December 2013

**Consolidated statement of cash flows**

| Cash flows related to operating activities                      | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for (a) exploration & evaluation                   | (20)                       | (78)                                  |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (84)                       | (241)                                 |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | -                          | -                                     |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (provide details if material)                         | -                          | -                                     |
| <b>Net Operating Cash Flows</b>                                 | <b>(104)</b>               | <b>(319)</b>                          |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of:                                   |                            |                                       |
| (a) prospects   | -                          | -                                     |
| (b) equity investments  | -                          | -                                     |
| (c) other fixed assets  | -                          | -                                     |
| 1.9 Proceeds from sale of:                                      |                            |                                       |
| (a) prospects   | -                          | -                                     |
| (b) equity investments  | -                          | -                                     |
| (c) other fixed assets  | -                          | -                                     |
| 1.10 Loans to other entities                                    | -                          | -                                     |
| 1.11 Loans repaid by other entities                             | -                          | -                                     |
| 1.12 Other (refundable deposit)                                 | -                          | (54)                                  |
| <b>Net investing cash flows</b>                                 | <b>-</b>                   | <b>(54)</b>                           |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(104)</b>               | <b>(373)</b>                          |

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

|      |  |             |              |
|------|--|-------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward)         | (104)       | (373)        |
|      | <b>Cash flows related to financing activities</b>                  |             |              |
| 1.14 | Proceeds from issues of shares, options, etc.                      | -           | 9            |
| 1.15 | Proceeds from sale of forfeited shares                             | -           | -            |
| 1.16 | Proceeds from borrowings   | -           | -            |
| 1.17 | Repayment of borrowings  | -           | -            |
| 1.18 | Dividends paid   | -           | -            |
| 1.19 | Other (Share issue costs (\$22k), proceeds of \$85k <sup>1</sup> ) | 85          | 63           |
|      | <b>Net financing cash flows</b>                                    | <b>85</b>   | <b>72</b>    |
|      | <b>Net increase (decrease) in cash held</b>                        | <b>(19)</b> | <b>(301)</b> |
| 1.20 | Cash at beginning of quarter/year to date                          | 90          | 372          |
| 1.21 | Exchange rate adjustments to item 1.20                             | -           | -            |
| 1.22 | <b>Cash at end of quarter</b>                                      | <b>71</b>   | <b>71</b>    |

1 As set out in the Company's Annual Report the underwriter to the Entitlements Issue has transferred 120 million shares to unrelated parties that will make the shares available to future investors at 0.5 cents per share and direct the proceeds to the Company. During the quarter, a total of \$84,600 has been received by the Company and since the end of the quarter, a further \$80,000 has been firmly committed and due by the end of February 2014. The Company is in discussions with a range of potential future investors in relation to the remaining shares to the value of \$394,325. Pursuant to the Deed of Settlement with the underwriter the Company is also due to receive a refund of the \$54,000 deposit referred to in section 1.12.

#### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 109                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

#### 1.25 Explanation necessary for an understanding of the transactions

The following fully paid ordinary shares at \$0.005 per share were issued to Directors in lieu of director salaries and fees. The issue received shareholder approval at the AGM held on 29 Nov 2013:

- 18,000,000 shares were issued to Ghan Resources Pty Ltd, a company that Mr Carl Popal is a director (director salary \$90k).
- 1,500,000 shares were issued to Mr Giles Rodney Dale (director fees \$8k).
- 2,250,000 shares were issued to Mr David Sanders (director fees \$11k).

#### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

7,000,000 fully paid ordinary shares were issued during the quarter for the conversion of creditor balances.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

Add notes as necessary for an understanding of the position.

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

**Estimated cash outflows for next quarter**

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 50         |
| 4.2 Development                | -          |
| 4.3 Production                 | -          |
| 4.4 Administration             | 85         |
| <b>Total</b>                   | <b>135</b> |

**Reconciliation of cash**

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 71                         | 90                          |
| 5.2 Deposits at call  | -                          | -                           |
| 5.3 Bank overdraft  | -                          | -                           |
| 5.4 Other (provide details)   | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>71</b>                  | <b>90</b>                   |

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

|     | Tenement reference and location   | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |     |
|-----|---|-------------------------------|----------------------------------|----------------------------|-----|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | EL 25201<br>N. Territory      | Relinquished                     | 100%                       | 0%  |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased           | N/A                           | N/A                              | N/A                        | N/A |

#### 6.3 Interests in mining tenements at end of the quarter

| Location           | Project Name     | Tenement # | Ownership | Titleholder         |
|--------------------|------------------|------------|-----------|---------------------|
| Northern Territory | Mt Wells         | EL 27567   | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Eclipse          | EL 24808   | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Litchfield North | EL 27853   | 100%      | Eclipse Metals Ltd  |
| Northern Territory | West Batchelor   | EL 26257   | 100%      | Eclipse Metals Ltd  |
| Queensland         | Yellow Jack      | EPM 17321  | 55.61%    | Walla Mines Pty Ltd |
| Queensland         | Mary Valley      | EPM 17685  | 55.61%    | Walla Mines Pty Ltd |
| Queensland         | Mary Valley      | EPM 17672  | 55.61%    | Walla Mines Pty Ltd |
| Queensland         | Mary Valley      | EPM 17938  | 55.61%    | Walla Mines Pty Ltd |
| Northern Territory | West McArthur    | EL 27117   | 55.61%    | Walla Mines Pty Ltd |
| Queensland         | Moonford         | EPM 18596  | 55.61%    | Walla Mines Pty Ltd |
| New South Wales    | Moss Vale        | EL 7986    | 55.61%    | Walla Mines Pty Ltd |
| Queensland         | Bundaberg        | EL 17810   | 55.61%    | Walla Mines Pty Ltd |
| Northern Territory | Eclipse          | ELA 24623  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Eclipse          | ELA 24624  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Eclipse          | ELA 24627  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Lake Mackay      | ELA 24861  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Canning Basin    | ELA 24862  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Mt Poizieres     | ELA 25666  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Tanami           | ELA 25998  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Tanami           | ELA 25999  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Tanami           | ELA 26000  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Tanami           | ELA 26001  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Tanami           | ELA 26002  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Tanami           | ELA 26003  | 100%      | Eclipse Metals Ltd  |
| Northern Territory | Tanami           | ELA 26004  | 100%      | Eclipse Metals Ltd  |

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

## 6.3 Interests in mining tenements at end of the quarter (Contd)

| Location           | Project Name    | Tenement # | Ownership | Titleholder        |
|--------------------|-----------------|------------|-----------|--------------------|
| Northern Territory | Liverpool 1     | ELA 26193  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Liverpool 2     | ELA 26244  | 100%      | Eclipse Metals Ltd |
| Northern Territory | South Alligator | ELA 26259  | 100%      | Eclipse Metals Ltd |
| Northern Territory | South Alligator | ELA 26260  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Mt Theo         | ELA 26283  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Mt Patricia     | ELA 26284  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Yuendi          | ELA 26487  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Atlee           | ELA 26488  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Mackay          | ELA 26489  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Yoolgarri       | ELA 26490  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Chilla Well     | ELA 26491  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Wild Cat Bore   | ELA 26492  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Puyurru         | ELA 26493  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Flying Fox      | ELA 27130  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Liverpool 3     | ELA 27549  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Devil's Elbow   | ELA 27584  | 100%      | Eclipse Metals Ltd |
| Northern Territory | Gumadeer        | ELA 27703  | 100%      | Eclipse Metals Ltd |

**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

|  | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|--------------|---------------|---|--|
| 7.1 <b>Preference + securities</b><br>(description)  |              |               |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |              |               |   |  |
| 7.3 <b>+Ordinary securities</b>  | 559,856,824  | 559,856,824   |   |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | 28,750,000   | 28,750,000    | \$0.005                                       | \$0.005  |

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

|      |   |                                     |                     |  |  |
|------|---|-------------------------------------|---------------------|--|--|
| 7.5  | <b>+Convertible debt securities</b><br><i>(description)</i>   |                                     |                     |  |  |
| 7.6  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted |                                     |                     |  |  |
| 7.7  | <b>Options</b><br><i>(description and conversion factor)</i>  | 8,873,500<br>150,000<br>103,023,813 | 8,873,500<br>-<br>- | <i>Exercise price</i><br>20 cents<br>20 cents<br>6 cents | <i>Expiry date</i><br>31/05/14<br>30/11/15<br>30/11/16 |
| 7.8  | Issued during quarter   |                                     |                     |  |  |
| 7.9  | Exercised during quarter  |                                     |                     |  |  |
| 7.10 | Expired during quarter  |                                     |                     |  |  |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>   |                                     |                     |  |  |
| 7.12 | <b>Unsecured notes</b><br><i>(totals only)</i>  |                                     |                     |  |  |

#### Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Date: 13 February 2014

Print name: Keith Bowker

#### Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.

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