

ASX ANNOUNCEMENT

14 April 2014

Australian Securities Exchange
Companies Announcements Office
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Divestment of Non-Core Assets

The Board of Eclipse Metals Limited (“EPM” or “the Company”) is pleased to announce it has entered into a sale agreement (“Agreement”) with private entity, Laura Exploration Pty Ltd (“Laura Exploration”) (ACN 159 673 846) to sell 100% of the Company’s interests in the Yellow Jack (EPM 17321) and Devils Mountain (EPM 17685) gold projects in Queensland, together referred to as the “Mining Tenements” held by its subsidiary Walla Mines Pty Ltd (ACN 146 239 858).

The disposal of these assets is part of the Company’s ongoing strategy of rationalising less prospective non-core assets to help reduce administrative costs and accelerate further exploration and realisation of the Company’s core assets, such as the Mary Valley Manganese Project and Moonford Iron Project.

BOARD

Carl Popal
Executive Chairman

Pedro Kastellorizos
Executive Director

Rodney Dale
Non-Executive Director

Justin Barton
Non-Executive Director

COMPANY SECRETARY

Keith Bowker

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ASX CODE

EPM

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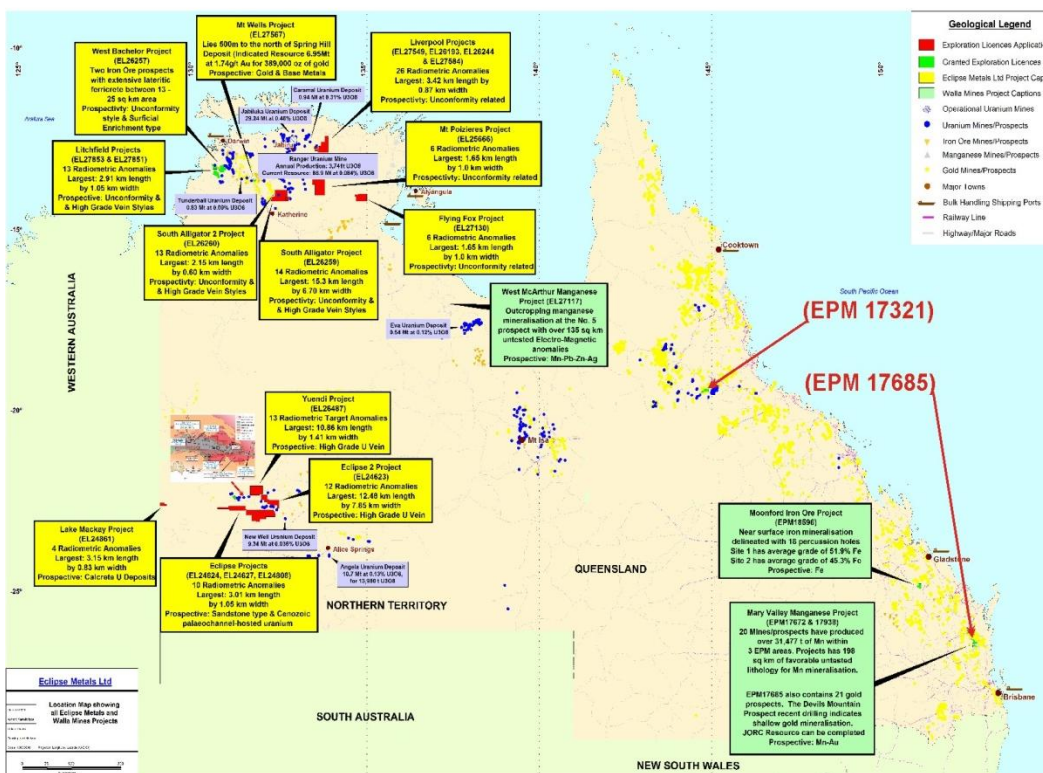


Figure 1: Eclipse Metals Ltd holds over 18,766sqkm of ground throughout Queensland and Northern Territory.

Under the key terms of the Agreement with Laura Exploration, the Company will receive:

- Total purchase consideration of \$125,000 payable in two instalments being \$50,000 plus GST ("Instalment 1") and \$75,000 plus GST ("Instalment 2").
- Instalment 1 is payable upon signing of the Agreement and Instalment 2 is payable on 31 May 2014 or the date the Queensland Minister for the Department of Natural Resources and Mines approves the transfer of the Mining Tenements, whichever occurs earlier.

The sale of these non-core assets is a further step towards commissioning of an exploration program over the Mary Valley Manganese Project and the Moonford Iron Project. An exploration programme for Mary Valley, to include geological mapping, geophysical surveys and reconnaissance drilling, is presently in preparation, and will be announced by the Board in the coming weeks. This will be one of the first tasks undertaken by geologist and recently appointed Director, Mr Pedro Kastellorizos, with collaboration from lead geologist and Non-Executive Director Mr Rodney Dale.

Upon announcement of this agreement, newly appointed Executive Chairman, Carl Popal said "*this Agreement is the first positive step for the Company following strategic assessment of its projects. The cash consideration will be directed to exploration programmes over the Mary Valley Manganese Project and the Moonford Iron Project, aimed at maximising the value of the assets for shareholders*".

The Mary Valley Manganese Project is located approximately 14 kilometres by road southwest of Gympie Township in Queensland. The project comprises two Exploration Permits (17672 & 17938) with an area of 179.8sqkm easily accessed via the Brooloo Road from Gympie Township and only 165 rail kilometres from the port of Brisbane. Historically, the two exploration permits have yielded over 31,000t of high grade ore from mining operation carried out during the 1920's and 1960's.

The Moonford Iron Project is located approximately 13 kilometres from Monto Township and railway line, about 133 rail kilometres from the port of Gladstone. The EL covers approximately 18sqkm of favourable iron bearing lithology (Evergreen Formation - Oolitic ironstone). Samples from 18 historical percussion holes, which intersected limonite mineralisation below 2m of overburden, produced assays ranging from 30.42% to 40.29% Fe.



Pedro Kastellorizos
Executive Director

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