

ASX ANNOUNCEMENT

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

NEW MANGANESE DISCOVERY AT MT MOOLOO – Extensive Outcropping Manganese Mineralisation Confirmed Over Mary Valley Project in Queensland

Highlights

- Field examination has confirmed substantial deposits of manganese mineralisation in the Mary Valley tenements.
- An area of about 13 sq km was observed to contain extensive manganese mineralisation, previously unknown in the area between the Mt Mooloo and Eel Creek manganese prospects.
- Amamoor Ridge with its manganese deposits and old workings has a strike length of over 2 km and width of 400 metres trending NNW towards the Mt Mooloo and Eel Creek mined areas in an almost continuous straight line.
- Examination has identified two distinct mined zones within the Mary Valley tenements which may represent an extensive strata-bound body of manganese mineralisation between elevations of 120m and 280m.
- Stronger manganese mineralisation was observed to be closely associated with more deformed and sheared/faulted zones.
- Twenty one (21) rock chip samples have been collected at various locations and sent for chemical analysis.
- Approximately 12% of the tenement area has been briefly explored.

The Directors of Eclipse Metals Limited (“**Eclipse Metals**” or the “**Company**”) (**ASX: EPM**) are pleased to announce that initial field exploration has outlined extensive manganese mineralisation on surface in the Mary Valley Manganese Project tenements, worthy of comprehensive exploration programs.

GEOLOGICAL REPORT

The Mary Valley Manganese Project is located approximately 14 kilometres by road southwest of Gympie township and approximately 175 km from Brisbane in Queensland.

Historically, the two exploration permits have yielded over 31,000t of high grade direct shipping ore with assays of 39.5 to 51% Mn from mining operations carried out during the 1920's and 1960's. In the past 50 years little to no geological activity has been recorded over the Mary Valley prospects for manganese.

The recently announced ‘commencement of exploration program’ by Eclipse Metals Ltd has covered an area of about 13 sq km within its tenements.

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Field examination concentrated on the northern part of the exploration permits, where previous mining has produced high grade manganese ore. Within this area (*Reference Map on page 7*) it is evident that there are substantial further deposits of high grade, potentially direct shipping ore (DSO) and lower grade beneficiable mineralisation in proximity of the old workings and in strike extensions of known deposits.

Based on the historical high grade ore mined within the Mary Valley manganese area, the grades of manganese and silica levels fall within the DSO parameters for saleable manganese ore from Australia and other countries around the world.

Mt Mooloo Area

The Mt Mooloo historically mined prospect is located at the side of Mt Mooloo at an elevation of over 280 metres. The Company's geologist collaborating with a local resident and pioneering prospector located a previously unrecorded extensive area of manganese mineralisation exposed through a road cutting (Photo 1) below the Mt Mooloo historic workings. The mineralised zone is over 200 metres in length on a face up to 4.5m in height with major structural deformation and prolific manganese mineralisation at an elevation of 130m.

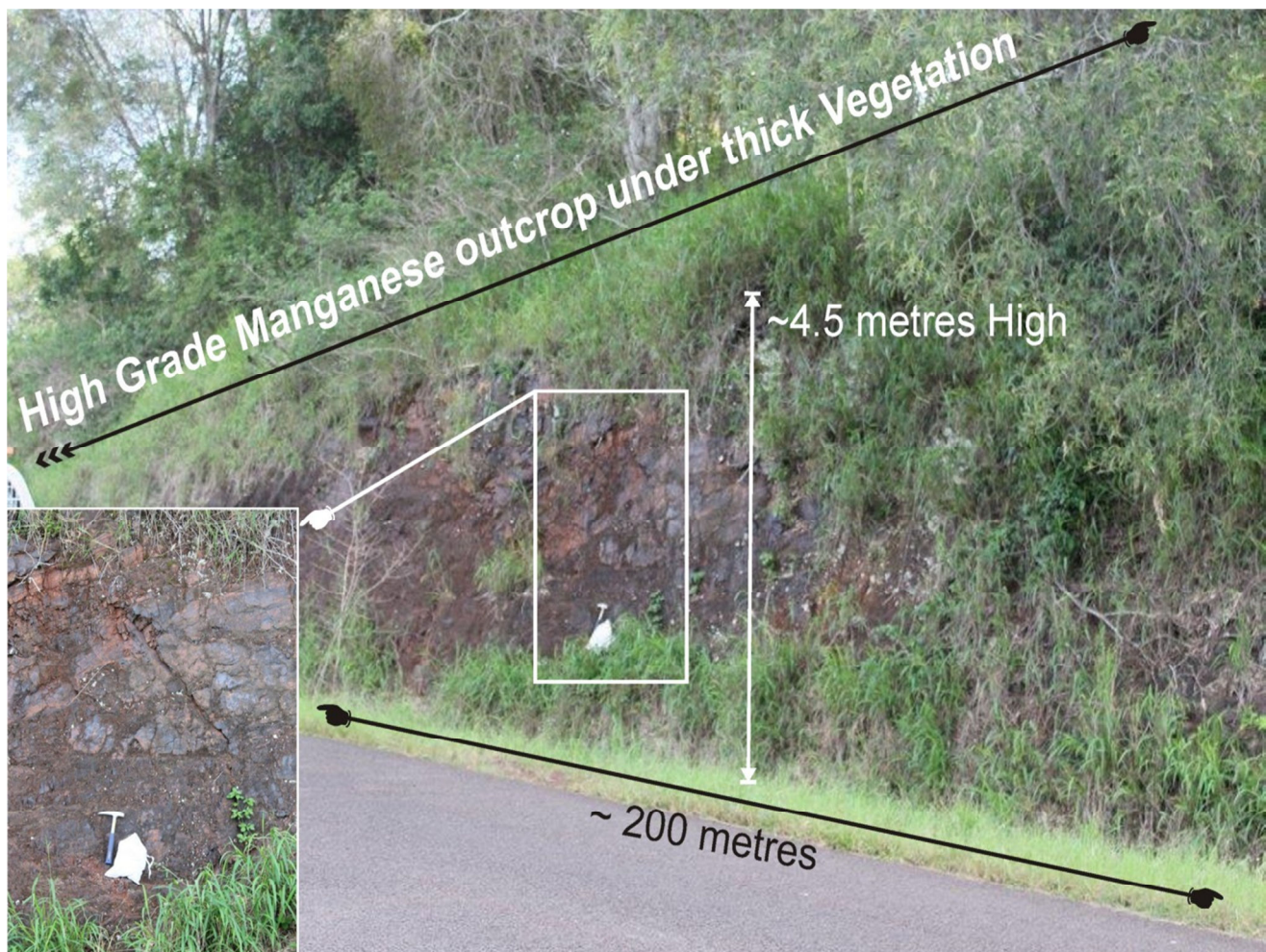


Photo1: Road cutting Mt Mooloo indicating strongly mineralised manganese

Behind this road cutting across the strike of the host rock, the manganese mineralisation trends towards an historic manganese quarry, hosting further high grade manganese mineralisation. Photo 2 shows the highly folded bedding with manganese deposition and evidence that manganese deposition is controlled by structural deformation of the host rock. From the base of the road cutting to the top of the mined bench is approximately 8 metres, with mineralisation continuing underfoot.



Photo 2: Old Manganese Mine - Bench height of 4 to 5m of folded manganese mineralisation on Mooloo road
The small inset illustrates strongly deformed high grade manganese mineralisation in the mined bench

The historical mined area at Mt Mooloo which yielded 81 tonnes of ore in 1915 is located 1.26 kilometres NE of Photo 2. The elevation of Photo 2 is about 130 metres and the historically mined area has an elevation of approximately 280m. Orientation of the mined bench of NNE in photo 2 is consistent with the strike of the manganese belt along with the historically mined benches at Mt Mooloo.

There were no mines department records of this historical mine site which was located by the Eclipse Metals geologist in collaboration with local pioneering prospectors residing in Mary Valley.



Photo 3: Mt Mooloo Manganese Mined Area looking down from the highest mined benched (approx 8 vertical metres)



Photo 4: Massive manganese mineralisation along road cutting next to mined area on Mooloo Rd previously unrecorded

Eel Creek

Historically the Eel Creek mined prospect yielded high grade manganese in small trenches however these workings were only recognised by mullock dumps at the old mined terraces in the side of a low lying hill 2.5km from the Mt Mooloo historical mine site.

The Eel Creek cutting illustrated below in Photo 5 is located 4.7 kilometres from the Mt Mooloo mine-site and 3.5 km north of the Eel Creek mine-site. The country rocks are coarsely-banded jasper and massive quartzite, striking at 335°

and dipping at 60° to 85° E. Minor folds pitch at 75° . Historically, the area exhibits manganese lenses which have been offset by cross faults. It is possible that there may be other concealed bodies of manganese separated from known lenses by cross-faults. There is continuous structural deformation, clearly visible in Photo 5.



Photo 5: Eel Creek Road: Large outcrop in road cutting with manganese mineralisation (in a faulted host rock)

Amamoor (EPM 17938)

The Amamoor 1, Amamoor 2 and Skying Creek manganese deposits within EPM 17938 are located in the Amamoor rehabilitated state forest. Historical production was 22,602 tonnes of manganese ore at grades of between 45% and 51% Mn up to 1961. The open-cut extends over an area 274m long by 69m wide in a NNW direction. The manganese lenses range in strike from NW to NNE and the concentration of manganese oxides appears to have been determined by strike and transverse faults. The largest lens of mined ore persisted to at least 21m below the natural surface.

More than half the total production of nearly 12,000 tonnes has been mined from the main ore lens which has been worked over a length of 37m and a maximum width of 6m to a depth of 21m. Mined grade of manganese varied from 39.5% - 49.1% Mn with 1.4% to 16.2% SiO_2 . The lens strikes at 008° and dips 75° W to vertical. This was terminated on the northern and southern ends by vertically dipping cross faults. The footwall and hanging wall also show evidence of faulting although shale beds overlying the manganese lens appear to be conformable.

At least six other smaller lenses of manganese ore were developed. These ranged from 23m long and 2.4m wide to 12m long and 1.8m wide and persisted to depths of up to 12m with the proportion of reject ore to marketable grade ore usually exceed 2:1 judging by the amount left in waste dumps.

The Amamoor iron and manganese rich ridge is over **2 km in strike length by 400 metres in width**, trending NNW towards the Mt Mooloo mined area and Eel Creek mined area in an almost continuous straight line.

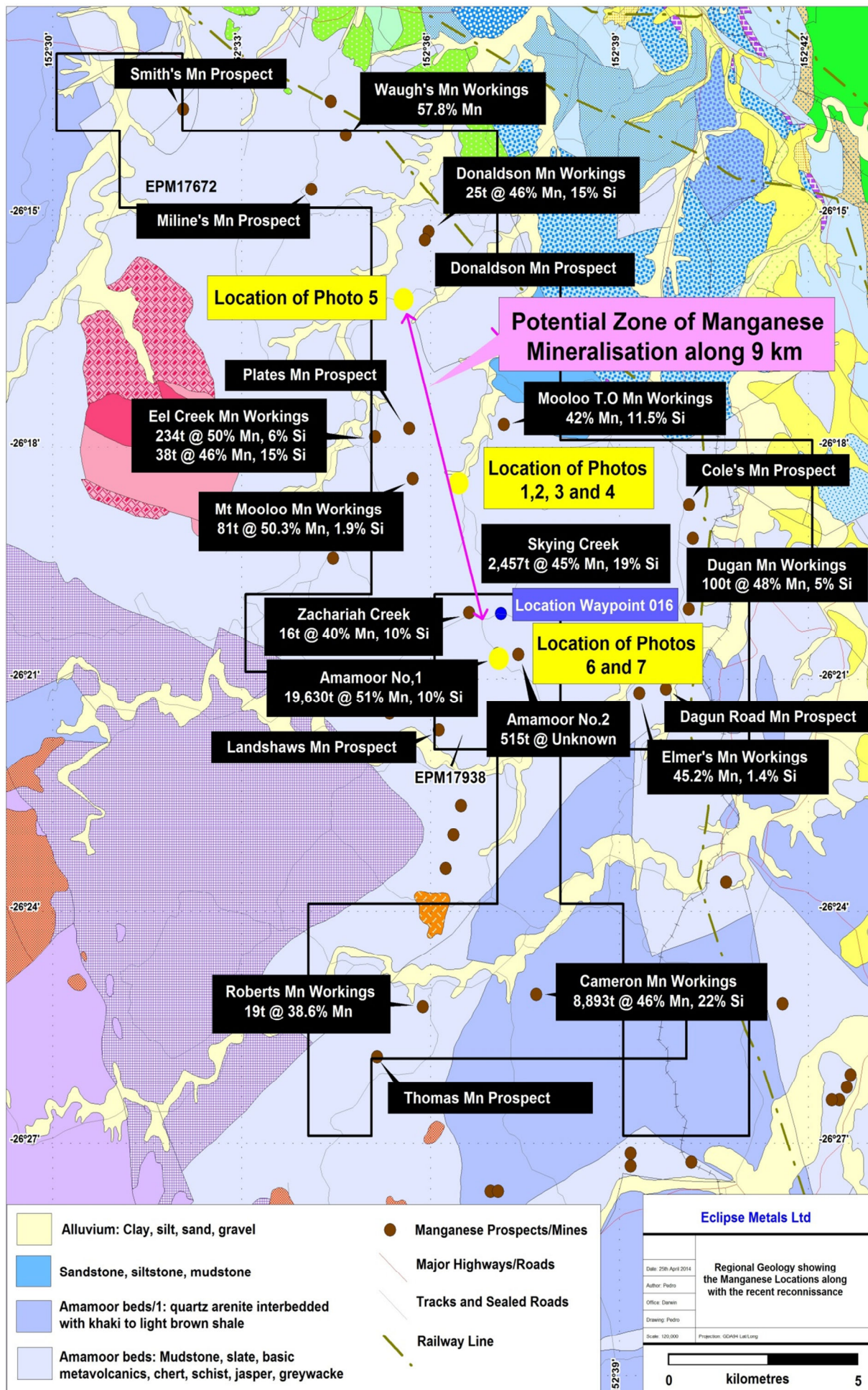


Photo 6: High grade manganese located at the base on the Amamoor No1 open pit mine in a heavily vegetated area. In the above photo outcropping manganese is evident as dark grey rocks



Photo 7: High grade manganese located at base on the haul road from the Amamoor No 1 Mine

The strike of the host rocks within the mined area is consistent with the orientation of the Mary Valley manganese belt. The vertical relief is of particular significance as outcrop was found between 195 m and 280 m elevation. A geochemical soil sample was taken at Waypoint 016 at an elevation of 312 metres which is 977 metres from Photo 7 – Reference Map on page 7)



The second phase of exploration will concentrate on completion of geological mapping, detailed outcrop sampling and a preliminary volumetric survey to facilitate a comprehensive exploration programme to include aerial geophysical surveys and drilling. Receipt of sample analytical results is expected within the next few weeks.

In commenting on these highly encouraging results, Pedro Kastellorizos, Managing Director of Eclipse Metals, said: *"We are excited to have received confirmation of abundant visible manganese mineralised zones on the ground. By completing this reconnaissance survey, we are in a stronger position to target the overall mineral potential over this highly prospective manganese mineral field".*

"As part of the company's overall strategy we are focusing on fast tracking exploration. We look forward to updating the market on further progress with the development at our Projects and to commencing the next stage in the process leading to the definition of an indicated mineral resource."



Pedro Kastellorizos
Executive Director

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The information in this report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Mr George Karageorge on behalf of Mr Pedro Kastellorizos and Mr Giles Rodney (Rod) Dale, both Directors of Eclipse Metals Limited. Mr Karageorge is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity which he has undertaken to qualify as a Competent Person

Mr Dale is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Dale is a Director of Eclipse Metals Limited. Mr Kastellorizos is a geologist with over 17 years of experience relevant to the styles of mineralisation under consideration and to the activity which he is undertaking as Executive Director. Mr Dale has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported 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 George Karageorge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. 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 on behalf of company Geologists, Executive director Mr Pedro Kastellorizos and Non-Executive Director Mr Giles Rodney (Rod) Dale.

Reference

Brooks, JH, 1962. Mary Valley Manganese Deposits Part 1 and Part 2. Queensland Government Mining Journal, 63, 195-211, 258-277.

Ostwald, J, 1992. Mineralogy, paragenesis and genesis of the braunite deposits of the Mary Valley Manganese Belt, Queensland, Australia. Queensland Government Mining Journal, 27, 326-335.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Rock Chip sampling was undertaken as part of the field reconnaissance program. Samples were collected when visible mineralisation was identified. Each rock chip sample was approximately 5 kg in weight
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<ul style="list-style-type: none"> Rock Chip samples were sent to NAGROM in Perth for XRF analysis to determine content of manganese, silica, iron and any other gauge material.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Not applicable as no drilling was undertaken
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All coordinate information was collected using a hand held GPS using GDA94 Lat/Long
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The locations of samples is shown in the diagram
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were labelled bagged and trucked straight to the analytical laboratory

Criteria	JORC Code explanation	Commentary
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Not applicable as not audits were conducted

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> EPM17672 and EPM17938 are beneficially held by Eclipse Metals Limited in its subsidiary Walla Mines Pty Ltd. Eclipse holds 56% of the current securities within Walla Mines Pty Ltd.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Manganese ore has been mined intermittently from deposit in the Mary Valley since 1920's, with the bulk of the output occurring from 1957-1960
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Geochemical separation of manganese from iron in a submarine exhalative system. Deposition of the manganese oxide has apparently been controlled by faulting and fracturing of the incompetent cherty and jasperoidal bed, with the fractures providing the fluid channel-way and replacement of the host rock by manganese oxides occurring progressively away from those fractures.
<i>Drill hole</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information</i> 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken

Criteria	JORC Code explanation	Commentary
Information	<p>for all Material drill holes:</p> <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. <ul style="list-style-type: none"> • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Not applicable as no data averaging has been used
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The rock chip analysis has not yet been completed by the laboratory. The samples collected are only from the surface and any potential depths of mineralisation can only be observed on the surface and hence are speculative in nature
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being 	<ul style="list-style-type: none"> • See Map in release

Criteria	JORC Code explanation	Commentary
	<i>reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Several samples were collected from the lower and higher grade mineralisation observed – pending assay results before any conclusions can be determined.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Not applicable
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The second phase of exploration will concentrate on completion of geological mapping, detailed outcrop sampling and a preliminary volumetric survey to facilitate a comprehensive exploration program.