

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

CONFIRMED SUBSTANTIAL LIMONITE-HEMATITE (IRON) MINERALISATION IN MOONFORD PROJECT

Highlights

- Field examination has confirmed substantial limonitic-hematitic (iron oxide) mineralisation within the Moonford Project tenement.
- Geological reconnaissance mapping of about 18sqkm has confirmed extensive iron mineralisation
- Historical drilling has only tested the limonitic secondary mineralisation of enriched ironstone down to 12.75m within the soil profile.
- Eclipse Metals has defined the lower lying primary ironstone target of goethite and hematite as the primary source of iron mineralisation.
- Flat low-lying ironstone ridges below an elevation of 300m appear to contain more hematite and goethite than the higher limonite ridges historically targeted.
- Further confirmation of a “classic style” of primary bedded iron mineralisation within a formation of siltstone, sandstone and ironstone with traces of coal.
- Six surface geochemical samples have been collected at various locations and sent for chemical analysis.
- A bulk sample of 200kg has been sent to NAGROM laboratory in Perth for preliminary metallurgical test-work on primary and secondary iron mineralisation.
- Approximately 6% of the total 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 primary and secondary iron mineralisation on surface over 18sqkm on the Moonford Iron Project tenement.

GEOLOGICAL REPORT

The Moonford Project is located approximately 15km north-west of Monto township/railway line and approximately 133 rail kilometres from the port of Gladstone in Queensland.

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There is approximately 18sqkm of favourable iron bearing lithology (Evergreen Formation - Oolitic ironstone) within the Exploration Permit area. In 1984, 18 historical percussion holes totalling 218m intersected limonite mineralisation below 0.5m of overburden with overall averaged assays ranging from 31.7% to 36.3% Fe to a depth of 12.75m.

In 1961, J H Brooks from the Queensland Geological Survey made reference to extensive limonite resources and the fact that this iron rich zone continued into the Coomnglah State Forest which lies on the tenements' southern boundary.

Mineralisation is primarily limonitic in a formation which is relatively flat lying and forms gently dipping beds. Iron mineralisation is concealed beneath 0.5m to 5m of clay associated with the Evergreen Formation which consists of siltstone, mudstone and sandstone. Within the Evergreen Formation individual oolites consist of concentric layers of hematite, goethite and limonite with a nucleus of quartz and calcite. Outcrop samples show signs of oxidation with more abundant limonite, although Fe content shows little variation.

Field examination concentrated on the southern part of the Exploration Permit based on the Evergreen Formation hosting the oolitic ironstone (*Refer to the Map on page 8*) where field observations confirmed a "classic style" of primary bedded iron mineralisation.

Through interpretation of aerial photographs, an extensive iron rich zone was delineated approximately 1.6km NW of the historical drill Site 1 area, approximately 1km north of the Glen Valley Road. Two bulk samples consisting of 150kg of limonite rich soil and another 50kg of hematite-goethite-limonite mineralised rock have been submitted to NAGROM metallurgical laboratory in Perth. Preliminary metallurgical test-work is designed to determine if the limonitic (secondary iron mineralised zone) can be upgraded to higher iron content and the type of metallurgical processes required for beneficiation. Results of the test-work will be announced to the market once received from NAGROM.



Photo 1: Bulk Sampling site of Iron Rich Limonite Zone (150 kg sample site). The dark orange colour highlights the strong limonitic soil profile

Limonite at surface:

Is an emblematic hydration of hematite and magnetite generally below.



Photo 2: Bulk sampling site showing the iron rich limonitic ridges (highlighted as orange) proximal to the sampling site



Photo 3: Historic Drill Site Area 1 illustrating strongly altered limonite zone pushed up by bulldozer



Photo 4: Strongly altered hematite iron rich sample site



Photo 5: Goethite hand specimens showing structural and gossanous nature from rock chip sample GK025



Photo 6: Hand specimen showing structural hematite-limonite rich rock chip sample - and gossanous nature from samples GK026 & GK027

The secondary ironstone is enriched and mainly consists of oolitic hematite, limonite and coarse grains of quartz (photo 4). The primary ironstone consists mainly of goethite, hematite and minor limonite (Photos 4, 5 and 6)).

Based on the 1961 Queensland Geological Survey and 1984 Commercial Minerals reports of historical drilling, Eclipse Metals geologists are critical of the location of these drilling programs which appear to have missed lower-lying primary ironstone mineralisation of goethite and hematite. There is strong evidence to suggest that the hematite and goethite mineralisation would have potentially yielded higher iron grades at a lower elevation.

Only a small part of the tenement area was observed due to recent high rainfall and flooded access points from cyclone Yasi in April 2014. Even so, it was observed that low flat-lying ironstone ridges beneath an elevation of 300m appear darker in colour and to contain more hematite and goethite than the higher limonite ridges. The field geologist also observed magnetic interference close to these ridges. Further follow-up exploration work is required to determine the cause of this effect.

Approximately 4km east of the Monto Township, a quarry was observed to contain primary iron mineralisation in the Moonford area where low ridges consisted predominantly of hematite-goethite mineralisation (refer to Photo 7).

Sample GK029 was collected based on the same strike and lithology of rocks containing primary iron mineralisation observed within the bulk sampling area 16.4 km west from the limonite ridge where the bulk sample was collected. Both areas are approximately at the same elevation.

Further field work is recommended to concentrate on the lower ridges containing hematite and goethite, in particular along A3 Highway in the Coomnglah State Forest in the southern portion of the tenement.

A second phase of exploration will concentrate on completion of geological mapping and more detailed outcrop sampling to facilitate a comprehensive exploration programme to include aerial geophysical surveys and drilling.

The Company is anticipating receipt of assay results and the metallurgical test-work in the next few weeks.



Photo 7 Quarry which is 2km north east of Monto showing strong hematite, goethite and limonite at an elevation of 310m where the host rock trends east into the EPM

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 iron mineralisation on the surface. We knew that the secondary (limonite) iron mineralisation would be extensive, but we did not expect that these areas would be so great.*

“The location of the primary hematite-goethite iron mineralisation adds a very important component to mineral prospectivity of the project tenement”.

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 and is a Director of Eclipse Metals Limited. 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 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.

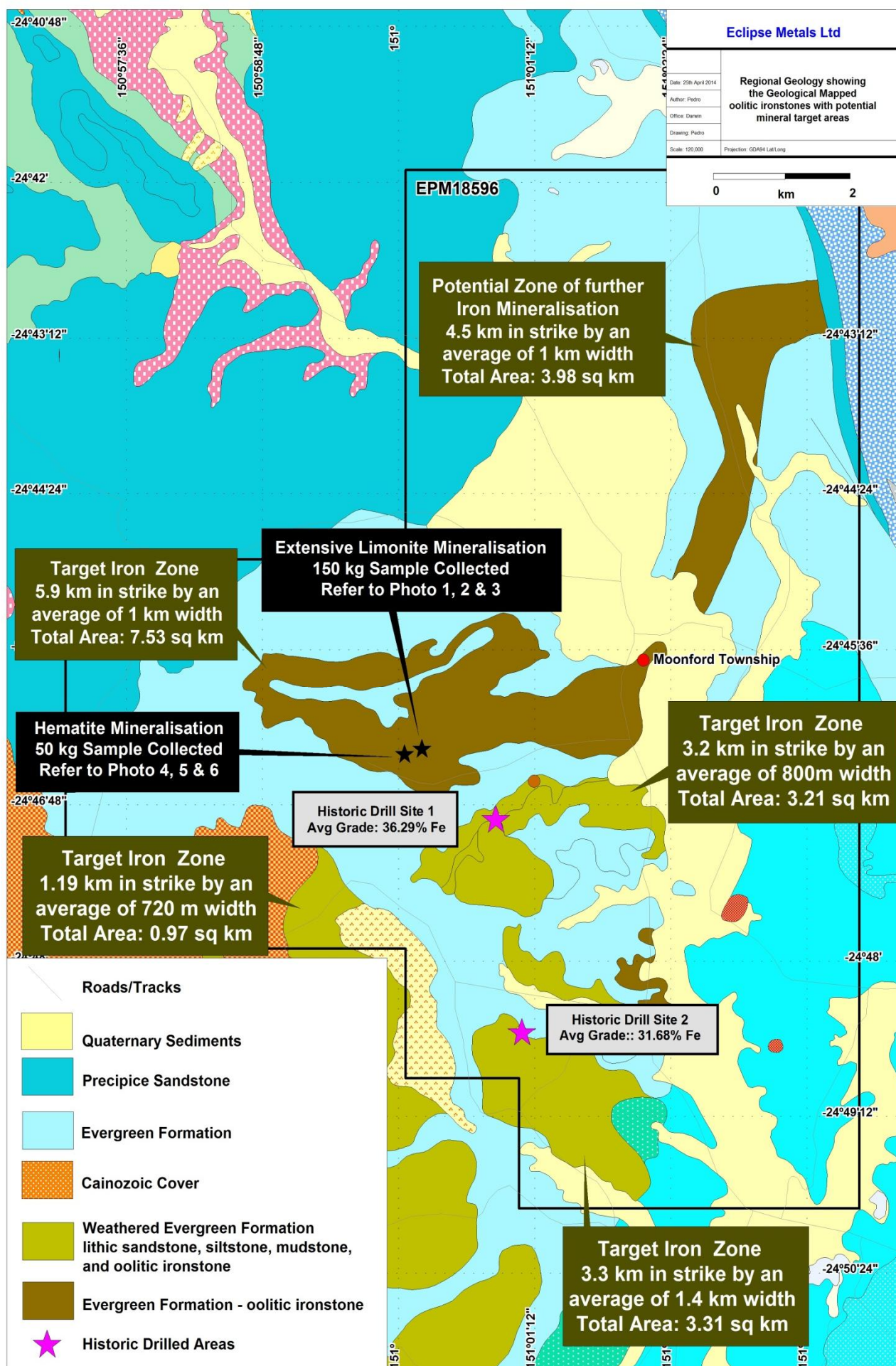
Mr George Karageorge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Company is not aware of any new information or data that materially affects the information in this report and such information is based on the

information compiled on behalf of company Geologists, Executive director Mr Pedro Kastellorizos and Non-Executive Director Mr Giles Rodney (Rod) Dale.

Reference

Brooks, J. H., 1970, Geological Survey of Queensland, Summary Report – Iron Ore Resources of Queensland, Queensland Geological Record 56.

Kreutzer, E., 1984, Commerical Minerals Ltd, A Report on Moonford Limonite Prospect, A to P 3746M, Queensland Geological Record, CR14092



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"> 6 rock chip samples were collected as part of the field reconnaissance program. Samples were collected when visible mineralisation was identified. Each rock chip sample was approximately 5kg in weight with the sample numbers commence from GCK023 to GCK 028. Total of 200kg bulk sample has been sent to NAGROM in Perth for first preliminary metallurgical testwork on primary and secondary iron mineralisation.
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	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries</i> 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken

Criteria	JORC Code explanation	Commentary
<i>recovery</i>	<p><i>and results assessed.</i></p> <ul style="list-style-type: none"> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	
<i>Logging</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • No applicable as no drilling was undertaken
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No applicable as no drilling was undertaken.

Criteria	JORC Code explanation	Commentary
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. 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. 	<ul style="list-style-type: none"> Rock Chip samples were sent to NAGROM in Perth for XRF to determine grade of iron, silica and any other gauge material. The bulk sample was also sent to NAGROM for metallurgical test work for the purpose of increasing the iron content in the limonitic soil profile.
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"> No 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. 	<ul style="list-style-type: none"> The locations of samples is shown in the map

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	
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
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<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
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> EPM18596 is held beneficially for Eclipse Metals Limited in its subsidiary Walla Mines Pty Ltd. Eclipse holds 56% of the current securities within Walla Mines Pty Ltd.
Exploration done by other	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> In 1961, Queensland Geological Survey completed a regional iron ore research program resulting in publications outlining numerous

Criteria	JORC Code explanation	Commentary
<i>parties</i>		<p>regional iron occurrences.</p> <ul style="list-style-type: none"> In 1984, Commercial Minerals Ltd delineated limonite mineralisation through an 18 hole percussion drilling program.
<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"> Oolitic ironstone is hosting the iron mineralisation which is part of the Evergreen Formation. Investigations provided further confirmation of a “classic style” primary bedded iron ore deposit within the formation of siltstone, sandstone and ironstone
<i>Drill hole Information</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 for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>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.</i> 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>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.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used</i> 	<ul style="list-style-type: none"> Not applicable as no data averaging has been used

Criteria	JORC Code explanation	Commentary
	<p><i>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<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
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> See Map in release
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>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.</i> 	<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.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Not applicable

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<ul style="list-style-type: none">• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<ul style="list-style-type: none">• The second phase of exploration will concentrate on completion of geological mapping and detailed soil/outcrop sampling to facilitate a comprehensive exploration program.