

ASX ANNOUNCEMENT

6th August 2014

Australian Securities Exchange
Companies Announcements Office
ASX Limited
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ECLIPSE SECURES NEW AREA WITH TWO HISTORIC MANGANESE MINES

Highlights

- New Exploration ground secured west of the highly prospective Eclipse Mary Valley Manganese tenements with the Queensland Department of Natural Resources and Mines under EPM25698.
- New ground secured expands on Mary Valley high grade manganese project, adding potential from historical Queen Mary and Jerry Creek manganese mines.
- Queen Mary mine workings (1908-1910) within new EPM25698 indicate that **full extent of mineralisation has not been exploited**, providing substantial exploration upside.
- Virtually no modern exploration for manganese has been conducted since 1908-1910 pioneer mining.
- Queen Mary Manganese workings **indicates potential for a significant tonnage of siliceous ore**. Historical manganese assays returned **43.5% to 44.1% Mn**.
- Eclipse has now extended its tenement holdings over the Mary Valley Manganese Field to 209.8 km².
- Potential to identify additional mineralisation at Mary Valley in several prospects within these largely under-explored tenements where only a limited area has been examined to date.

The Directors of Eclipse Metals Limited (“**Eclipse Metals**” or the “**Company**”) (**ASX: EPM**) are pleased to announce that the company has secured new exploration ground located west of its existing EPM7672 in the Mary Valley Manganese tenements. The application was recently accepted by the Queensland Department of Natural Resources and Mines under the number EPM25698.

This new ground, with an area of 30sqkm, covers the western side of the old Eel Creek manganese workings and encompasses the old Queen Mary workings to the north and Jerry Creek workings to the south, highlighted in red in *Figure 1 map* below.

Eclipse Metals Ltd is an Australian exploration company focused on exploring the Northern Territory and Queensland for multi commodity mineralisation. The company has an impressive portfolio of assets prospective for gold, manganese, iron, base metals and uranium mineralisation. The Company's mission is to increase Shareholder wealth through capital growth and ultimately, dividends. Eclipse plans to achieve this goal by exploring for and developing viable mineral deposits to generate mining or joint venture income.

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Historically, the new exploration permit area **has yielded over 210t of high grade direct shipping ore** with assays of **43.5% to 44.1% Mn** from mining operations carried out from 1908-10. In the past 50 years little to no geological activity has been recorded over these old workings

Brooks report dated 1962 stated **“there are indications of significant tonnage of siliceous ore in the Queen Mary deposit”**.

Eclipse’s Mary Valley Manganese Project is centred about 15 km south of the town of Gympie in southeast Queensland, 138km by road north from Brisbane. Gympie is a major regional centre and able to provide service and infrastructure support for exploration and mining activities.

BACKGROUND

There has been no systematic modern exploration for manganese deposits within the project area.

Discovery of high grade outcropping manganese mineralisation during logging operations led to sporadic periods of small-scale mining in which limited tonnages of the highest grade ore were extracted.

Overall the main period of mining activity was from 1958 to 1960. Production was mainly from open pits dug by bulldozer.

Within the three tenements comprising Eclipse’s Mary Valley Manganese Project there are **at least twenty two occurrences of known manganese mineralisation**.

On 24th July 2014, Eclipse Metals Ltd released the second phase explorations results to the market in which assays up to 52% manganese were reported for samples from the Mary Valley project tenements including:

- **Amamoor:- 52% Mn**
- **Skyring Creek:- 51% Mn**
- **Zacharia Creek:- 46% Mn**
- **Upper Kandanga:- 43% Mn**
- **Donaldsons:- 43% Mn**

A total of thirty rock-chip samples were collected and submitted to ALS Laboratory Brisbane. The samples were crushed and pulverised (methods CRU-21 and PUL-23) and then assayed by method ME-XRF26s. *Please refer to Table 2 for full assay results.*

Table 1: Highlights of Rock Chip Sample Analytical Results

Sample Id	Easting (mE)	Northing (mN)	Prospect Name	Al2O3 %	CaO %	Fe2O3 %	K2O %	MnO %	Mn %	Na2O %	P2O5 %	SiO2 %
PS031	461958	7085835	Amamoor Mine	1.79	1.98	4.13	0.19	61.66	47.75	0.08	0.1	15.78
PS032	461664	7085888	Amamoor West Lode	3.02	1.07	11.7	0.07	49.36	38.23	0.03	0.37	25.12
PS035	462305	7086888	Skyring Creek Prospect	1.97	0.82	6.89	0.43	66.14	51.22	0.12	0.08	1.68
PS039	462760	7078121	Upper Kandanga	2.06	1.52	1.44	0.12	52.83	40.91	0.3	0.12	34.48
PS040	462813	7078206	Upper Kandanga	1.34	1.28	0.77	0.22	54.08	41.88	0.17	0.16	33.1
PS041	462788	7078194	Upper Kandanga	3.83	1.36	1.84	0.55	44.53	34.49	0.64	0.07	36.94
PS042	462786	7078114	Upper Kandanga	2.59	1.23	2.24	0.65	55.34	42.86	0.3	0.14	25.55
PS043	459928	7096223	Donaldson No.1	0.83	2.94	1.76	0.07	50.69	39.26	0.15	0.06	30.1
PS046	459926	7096216	Donaldson No.1	0.65	2.48	1.22	0.37	56.03	43.39	0.2	0.07	23.25
PS050	458575	7091285	Eel Creek Mine	1.78	3.46	6.28	0.13	46.16	35.75	0.14	0.08	31.86
PS051	461137	7087108	Zacharia Creek Prospect	1.77	1.22	7.53	0.04	59.98	46.45	0.03	0.07	19.6
PS052	461136	7087092	Zacharia Creek Prospect	2.42	2.34	6.26	0.04	57.19	44.29	0.05	0.05	21.27
PS054	461116	7087080	Zacharia Creek Prospect	2.13	9.19	6.31	0.03	45.77	35.45	0.04	0.04	19.6
PS057	461927	7085988	Donaldson No.2	5.54	4.97	7.98	0.03	46.31	35.87	0.04	0.15	27.24
PS058	461934	7085981	Amamoor Mine	7.38	7.56	5.74	0.09	47.52	36.80	0.06	0.21	17.7
PS060	461961	7085948	Amamoor Mine	3.69	2.73	1.74	0.11	67.33	52.14	0.04	0.1	8.62

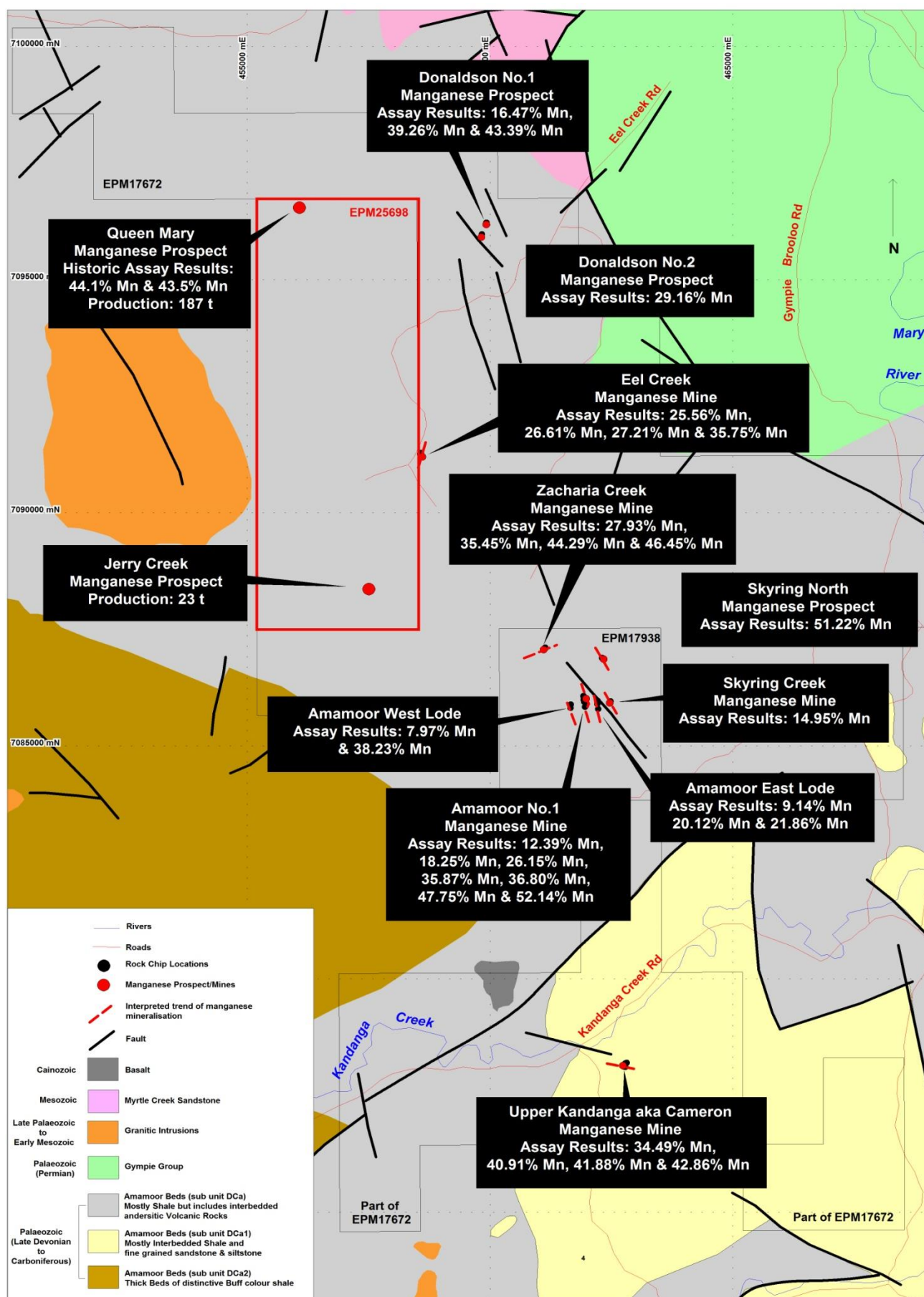


Figure 1: Regional Interpreted Geology Map showing Eclipse sample locations and Mn% with new acquired EPM25698 Area(outlined in red boundary)

QUEEN MARY MANGANESE WORKINGS (as described by Brooks J H, 1962)

The Queen Mary Manganese prospect was the first deposit in the Mary Valley district from which manganese ore was produced. From 1908-10, 187t of ore was mined with no production since.

Most of the manganiferous horizon consists of manganese-stained or encrusted joint blocks with pockets of metallurgical grade ore. The joint blocks consist of jasper and chalcedonic silica with veins of white quartz. A strike fault occurs on the hanging-wall of the manganiferous horizon. The country rocks are massive, white quartzite and silicified, thick-bedded shales. The beds strike at 340° and dip 30° to 55° SW.

The workings extend over an area 25m long x 15m wide to a maximum depth of 5m. They consist of small open-cut trenches and two short connecting adits. A shaft 12m deep is situated 21m south-west of the open-cut area. From the absence of manganese ore on the dump, the shaft was probably not sunk deep enough to test the possible extension of the deposit down-dip.

There are indications of a significant tonnage of siliceous ore in this deposit and it may warrant further development if lower grade ores become marketable.

AMAMOOR MANGANESE WORKINGS

The historical Amamoor Manganese Mine was the largest producer in the Mary Valley region, last mined in 1959. The workings consist of a series of long, narrow excavations several metres wide across the eastern slope of a prominent ridge, broadly parallel to the ridge contours, resulting in vertical walls 3m to 5m high. Sub-parallel cuts have been made such that the workings extend down-slope a horizontal distance of more than 50m and in places there is a 20m vertical difference between the elevation of the upper and lower workings.

Arrangement of the workings suggests that the primary manganiferous horizon trends about north-northwest with a steep dip towards the northeast and that the workings down-slope exploited the down-dip continuation of the main mineralised zone of this horizon. In contrast with this orientation, the largest body of historically mined ore, associated with jasperoidal chert, has a strike direction of 8° and a dip varying from 75° towards the west to vertical. A sub-parallel manganese mineralised horizon appears to represent a previously unrecognised separate formation which may contribute additional resources.



Western face of historical workings at Amamoor Manganese Mine

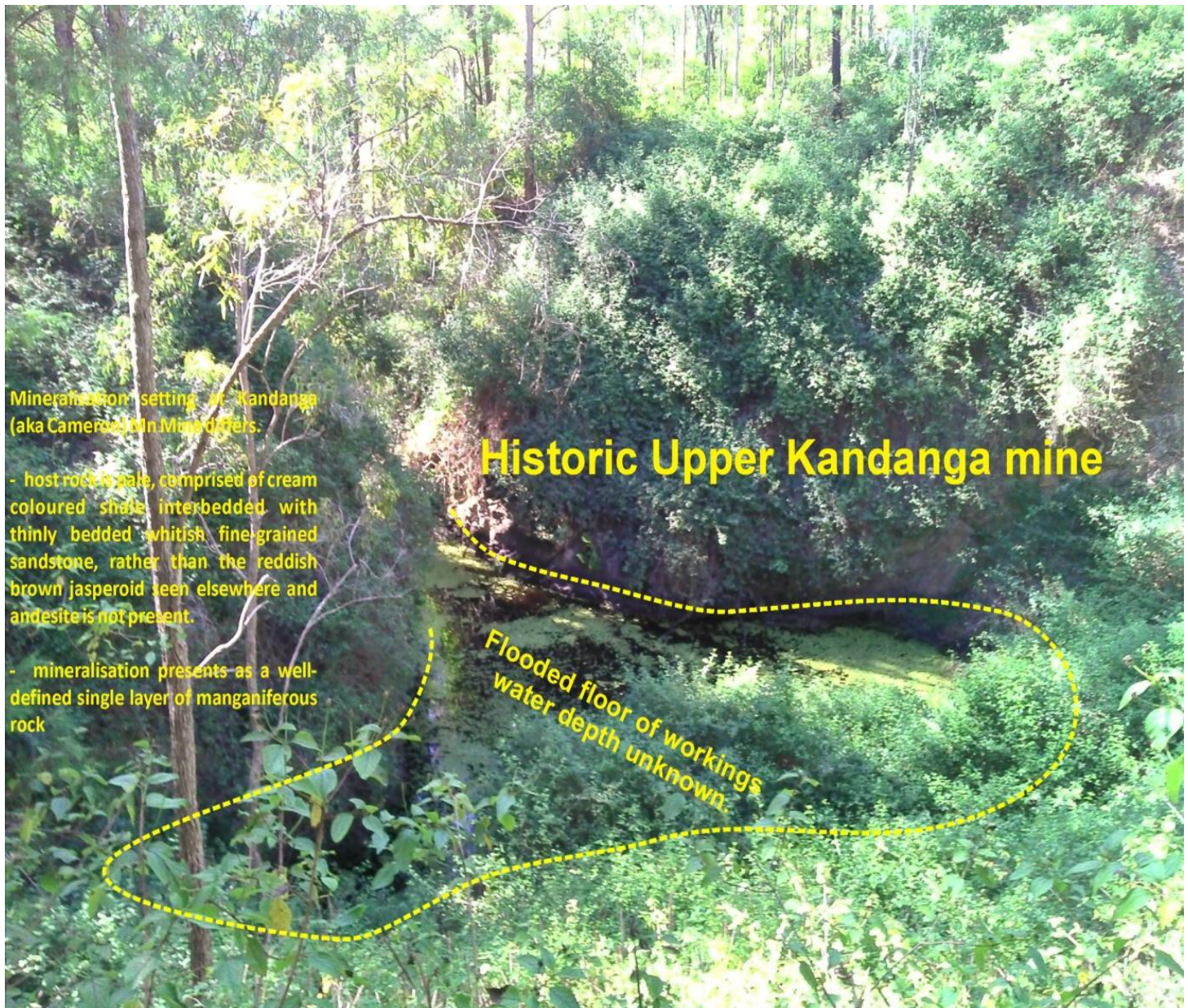
UPPER KANDANGA (AKA CAMERON) MANGANESE MINE

The Upper Kandanga (aka Cameron) historical manganese mine is located about 6km west-southwest of the village of Kandanga. The mineralisation is in a distinct bed 2m to 3m thick and appears to be different from other historical operations being associated with shale and sandstone, rather than jasperoidal chert and andesite, and with shallow dip angles.

The manganese mineralisation has a strike of about 100° and dips about 35° towards the north. The layer of manganese mineralisation east of a fault is displaced a few metres lower than the layer west of the fault.

The continuity of mineralisation along strike west of the workings is unknown but the thickness of the layer exposed in the western wall of the workings suggests that it is likely to extend a considerable distance westwards into the banks of the gully.

Mineralisation is known to continue along strike from the pit towards the east; Brooks (1962) describes an adit that was excavated into the eastern face of the workings in 1960 and extended at least 12m into the eastern slope of the gully.



Historical workings at the Upper Kandanga (aka Cameron) Manganese Mine



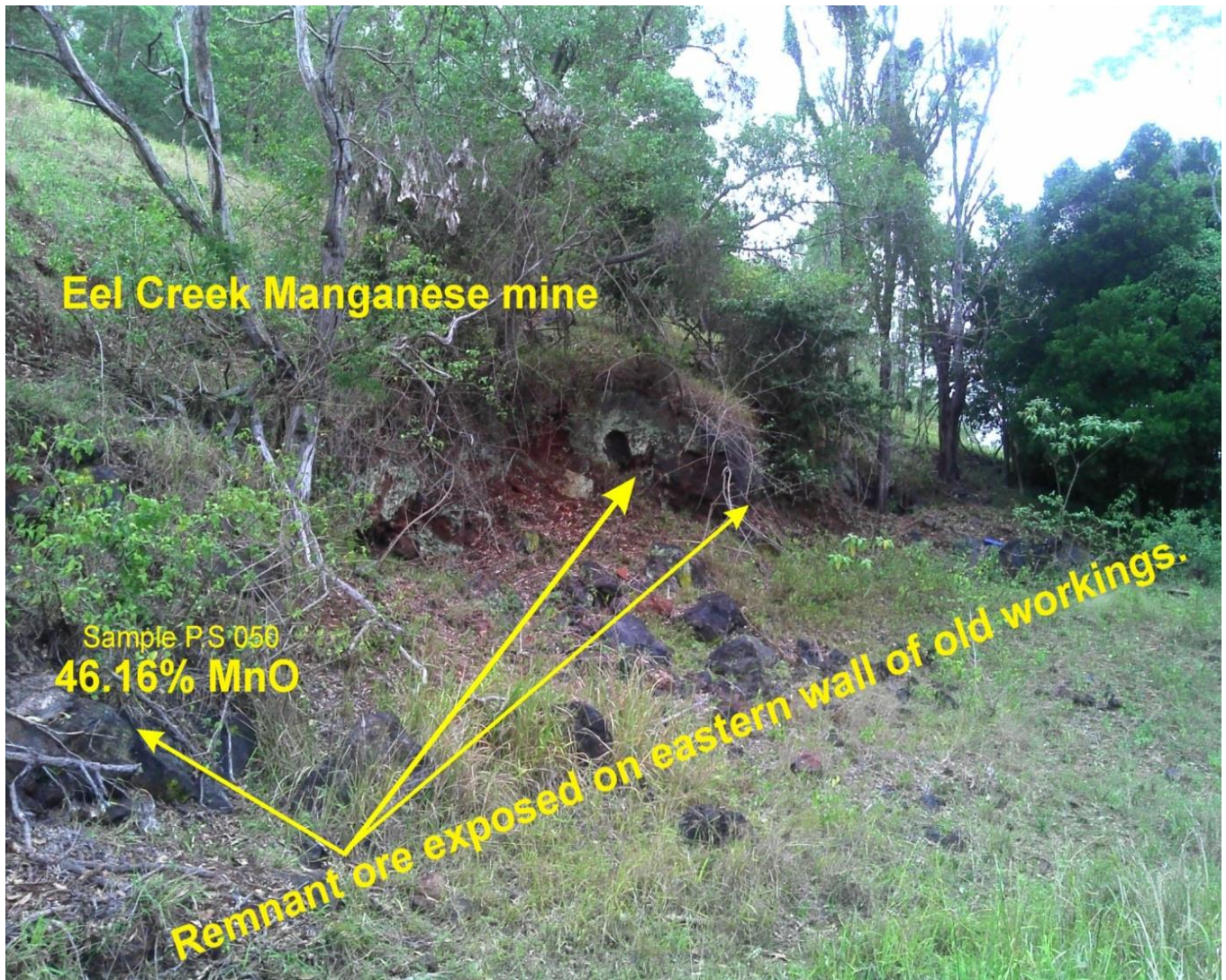
Remnant Mn-ore at the Upper Kandanga (aka Cameron) Mn mine. View towards the west showing the gentle dip of mineralisation towards the north.

EEL CREEK MANGANESE MINE

The Eel Creek workings are located in a mostly cleared paddock east of Eel Creek Road from which the overgrown workings are visible. The old mine consists of an excavation about 50m long, up to 10m wide and about 2m deep. The mine is elongated in a north-northeast direction following the contour of a hill. Strike direction of the mineralisation is similar to the orientation of the workings and remnant ore is visible in the eastern wall.

Host rock of mineralisation is a manganiferous jasperoid which also outcrops up-slope to the east and along strike from the workings as well as adjacent to the workings. Structural evidence suggests that the mineralisation is folded and faulted, providing a setting for extensions and enrichment of the mineralised formation. Surrounding the workings, manganiferous rocks having bedding-parallel layers of manganese mineralisation several centimetres thick occur within an area at **least 1,000m long and 250m wide**.

This large area may contain zones of high-grade mineralisation that do not outcrop.



Historical Eel Creek Manganese Mine looking south with remnant ore is exposed in the eastern wall of the workings. Below - fracture control of manganese mineralisation.

SKYRING CREEK

The old mine workings have been excavated along the contour of a hill with a trend varying from north-south to about north-northwest, extending about 80m. The width of working is estimated to be about 8m to a depth of about 4m in the areas observed. Remnant ore is partly exposed in section of the eastern wall of the excavations where there appear to be at least two lenses both striking about north-northwest. Dip cannot be measured reliably but at both excavations is definitely towards the northeast at a moderate angle. The thickness of the lens (or lenses) is unclear but in places appears to be about 1.5m.

Further mineralisation to the north is represented by dense manganese rubble in the undergrowth.

ZACHARIAH CREEK

The old workings are northwest of the Amamoor workings near the crest but on the south flank of a west-trending ridge. The mineralisation is oriented about east-west and has a steep dip towards the south. This appears to be sub-parallel to the contact between altered andesite and jasperoid.

The workings have a maximum length of about 30m, are oriented about east-west and were excavated to exploit two or three discontinuous dense manganese rich lenses about 2m thick.



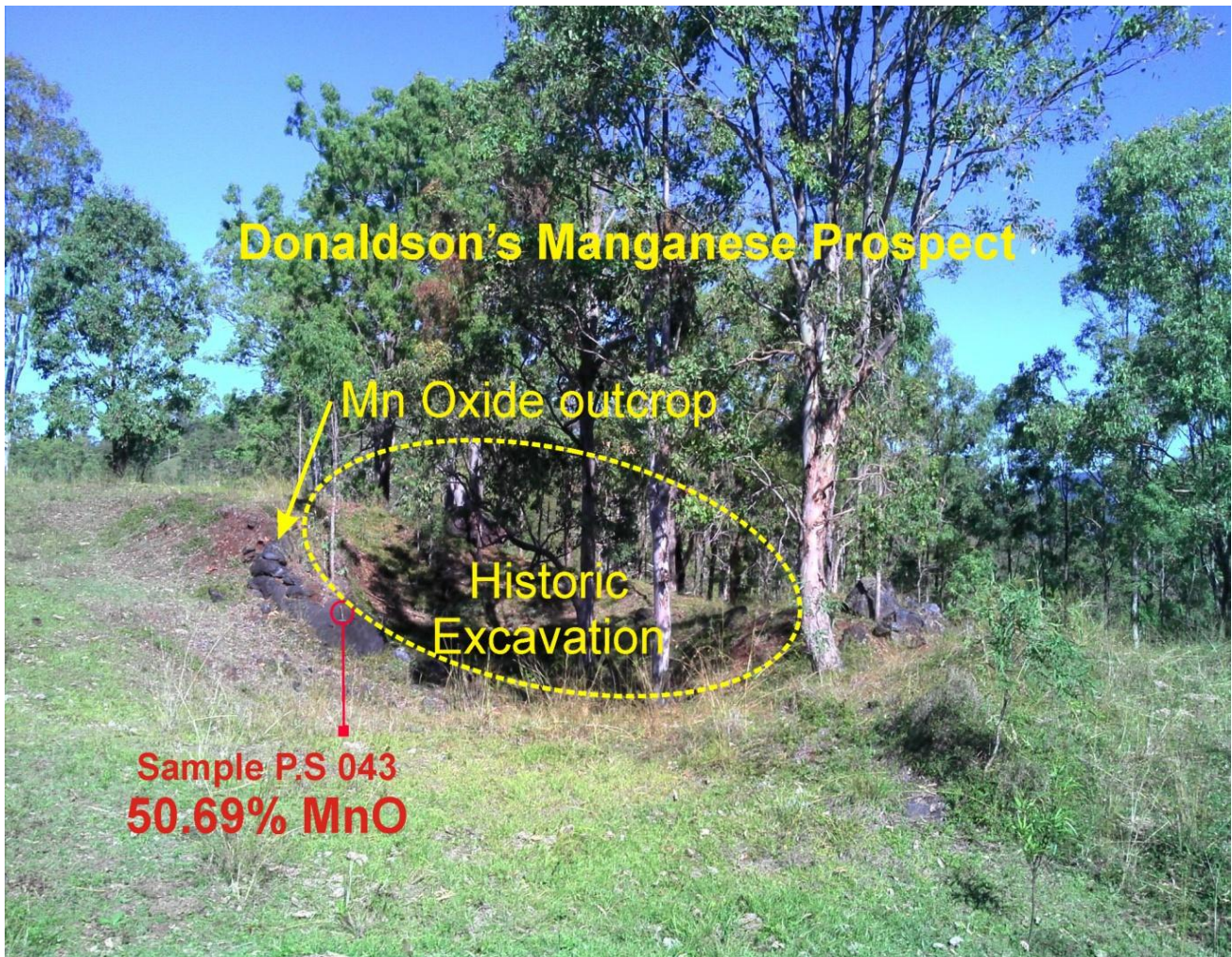
Skyring Creek historical manganese workings

DONALDSON'S

The Donaldson prospect is situated on the top of prominent ridge elongated in a north-south direction which has been mostly cleared for pasture but with patches of open woodland. The ore lens was probably about 2m thick and at the most, about 25m long. The historical ore remnants observed in the eastern wall of the main excavation are part of a lens that appears to be sub-parallel to a well-developed cleavage of the jasperoid that is the host-rock to the mineralisation, oriented with a strike of 320° and a dip of 80° towards the southwest.

Workings have a total length of about 30m and excavations were up to about 8m wide and 3m deep. Waste has been pushed to the west of the excavation.

Small workings to the south known as the Donaldson's No. 2 prospect consist of a small circular excavation about 1.5m deep, having a radius of about 10m. Within this excavation there are small discontinuous lenses, veins and impregnations of dense manganese mineralisation within the host jasperoid rock.



Donaldson's Historical manganese workings

End.

For and of behalf of the board.



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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 Peter Spitalny on behalf of Mr Pedro Kastellorizos and Mr Giles Rodney (Rod) Dale, both Directors of Eclipse Metals Limited. Mr Spitalny 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 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 Peter Spitalny 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.

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Table 2: Mary Valley Rock Chip Assay Results

Sample Id	Easting (mE)	Northing (mN)	Prospect Name	Al2O3 %	BaO %	CaO %	Cr2O3 %	Fe2O3 %	K2O %	MgO %	MnO %	Mn %	Na2O %	P2O5 %	SO3 %	SiO2 %	TiO2 %	Total %	Pass7Sum %
PS031	461958	7085835	Amamoor Mine	1.79	2.85	1.98	<0.01	4.13	0.19	0.41	61.66	47.75	0.08	0.1	0.64	15.78	0.07	100.3	
PS032	461664	7085888	Amamoor Mine	3.02	0.24	1.07	0.01	11.7	0.07	0.64	49.36	38.23	0.03	0.37	0.22	25.12	0.15	100.7	
PS033	461656	7085813	Amamoor West Lode	1.73	0.06	2.29	<0.01	8.52	0.09	0.27	10.29	7.97	0.04	0.07	0.01	72.42	0.07	99.79	
PS034	462482	7085957	Skyring Creek Mine	10.88	0.39	15.33	0.04	11.6	0.04	1.33	19.31	14.95	0.68	0.4	0.17	33.22	1.48	100.45	
PS035	462305	7086888	Skyring Creek Prospect	1.97	2.13	0.82	0.01	6.89	0.43	0.09	66.14	51.22	0.12	0.08	0.03	1.68	0.08	99.91	
PS036	462228	7085792	Amamoor East Lode	9.47	6.03	11.76	0.03	8.93	0.08	0.74	28.23	21.86	0.04	0.21	2.04	22.23	1.39	101.45	
PS037	462208	7085902	Amamoor East Lode	11.58	0.36	14.75	0.04	9.85	0.08	0.8	25.98	20.12	0.02	0.44	0.03	27.04	1.81	100.6	
PS038	462218	7085966	Amamoor East Lode	11.4	0.67	18.93	0.04	14.23	0.05	3	11.8	9.14	0.02	0.41	0.13	31.42	2.5	100.7	93.2
PS039	462760	7078121	Upper Kandanga	2.06	0.32	1.52	0.01	1.44	0.12	0.2	52.83	40.91	0.3	0.12	0.01	34.48	0.09	99.93	
PS040	462813	7078206	Upper Kandanga	1.34	0.12	1.28	<0.01	0.77	0.22	0.12	54.08	41.88	0.17	0.16	0.04	33.1	0.06	99.18	
PS041	462788	7078194	Upper Kandanga	3.83	0.76	1.36	0.01	1.84	0.55	0.17	44.53	34.49	0.64	0.07	0.01	36.94	0.15	99.52	
PS042	462786	7078114	Upper Kandanga	2.59	0.14	1.23	<0.01	2.24	0.65	0.16	55.34	42.86	0.3	0.14	0.01	25.55	0.1	99.03	
PS043	459928	7096223	Donaldson No.1	0.83	3.36	2.94	0.01	1.76	0.07	0.21	50.69	39.26	0.15	0.06	1.33	30.1	0.09	100.9	
PS044	459830	7095975	Donaldson No.2	2.09	1.76	4.36	<0.01	5.38	0.22	0.47	37.65	29.16	0.09	0.08	0.33	36.69	0.09	100.35	
PS045	459925	7096221	Donaldson No.1	0.54	1.32	2.37	0.01	0.86	0.07	0.14	21.26	16.47	0.12	0.06	0.32	67.88	0.01	100.25	
PS046	459926	7096216	Donaldson No.1	0.65	2.03	2.48	<0.01	1.22	0.37	0.08	56.03	43.39	0.2	0.07	0.38	23.25	0.02	99.93	
PS047	458562	7091263	Eel Creek Mine	2.19	1.35	5.65	0.01	8.61	0.76	0.99	34.36	26.61	0.96	0.07	0.41	36.62	0.13	100.95	
PS048	458568	7091274	Eel Creek Mine	0.3	0.95	1.57	<0.01	0.65	0.39	0.05	35.13	27.21	0.16	0.02	0.12	53.62	0.01	100.35	
PS049	458572	7091279	Eel Creek Mine	3.49	1.4	2.41	0.01	16.05	0.63	1.52	33	25.56	0.87	0.08	0.01	29.36	0.28	100.4	
PS050	458575	7091285	Eel Creek Mine	1.78	0.42	3.46	<0.01	6.28	0.13	1.59	46.16	35.75	0.14	0.08	0.11	31.86	0.08	100.75	
PS051	461137	7087108	Zacharia Creek Prospect	1.77	2.25	1.22	0.01	7.53	0.04	0.6	59.98	46.45	0.03	0.07	0.9	19.6	0.1	100.25	
PS052	461136	7087092	Zacharia Creek Prospect	2.42	2.12	2.34	0.01	6.26	0.04	0.79	57.19	44.29	0.05	0.05	0.79	21.27	0.13	100.35	
PS053	461116	7087082	Zacharia Creek Prospect	2.18	2.76	5.35	0.01	6.36	0.12	1.07	36.07	27.93	0.23	0.02	0.04	33	0.11	99.6	
PS054	461116	7087080	Zacharia Creek Prospect	2.13	5.63	9.19	0.02	6.31	0.03	0.53	45.77	35.45	0.04	0.04	1.71	19.6	0.09	100.65	
PS055	461923	7086068	Amamoor Mine	10.58	0.55	12.8	0.03	7.64	0.04	1.36	23.57	18.25	0.54	0.24	0.1	34.31	1.22	100.45	
PS056	461930	7086068	Amamoor Mine	6.79	0.11	7.9	0.02	6.74	0.08	0.87	33.76	26.15	0.14	0.29	0.03	34.38	0.61	100.25	
PS057	461927	7085988	Donaldson No.2	5.54	0.43	4.97	0.01	7.98	0.03	0.76	46.31	35.87	0.04	0.15	0.17	27.24	0.34	100.45	85.3
PS058	461934	7085981	Amamoor Mine	7.38	1.92	7.56	0.02	5.74	0.09	0.52	47.52	36.80	0.06	0.21	0.18	17.7	0.92	100.1	
PS059	461942	7085947	Amamoor Mine	13.11	1.18	13.28	0.03	7.77	0.18	1.19	16	12.39	0.98	0.38	0.2	37.42	1.66	100.4	
PS060	461961	7085948	Amamoor Mine	3.69	0.95	2.73	0.02	1.74	0.11	0.32	67.33	52.14	0.04	0.1	0.04	8.62	0.21	99.95	

JORC Code, 2012 Edition – Table 1 report**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 samples were collected as part of the field reconnaissance program. Samples were collected when visible mineralisation was identified in the field. • Each rock chip sample was approximately 1 kg and 2kg in weight with the sample numbered from PS031 to PS060 within the exploration licence area.
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> • <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> 	<ul style="list-style-type: none"> • No applicable as no drilling was undertaken
Logging	<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</i> 	<ul style="list-style-type: none"> • No applicable as no drilling was undertaken

Criteria	JORC Code explanation	Commentary
	<p><i>Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <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> 	
Sub-sampling techniques and sample preparation	<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.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> Rock Chip samples were sent to ALS in Brisbane for XRF to determine content of CaO%, BaO%, Al₂O₃%, Cr₂O₃%, Fe₂O₃%, K₂O%, MgO%, MnO%, Mn%, Na₂O%, P₂O₅, SO₃%, SiO₂%, TiO₂% & LOI
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> No applicable as no drilling was undertaken.

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	<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 MGA Zone 56 (GDA 94). Coordinates of the samples are present within Tables 1 and 2 of the announcement and within the map.
<i>Data spacing and distribution</i>	<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 map
<i>Orientation of data in relation to geological structure</i>	<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
<i>Sample security</i>	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples were labelled/bagged and taken straight to the analytical laboratory
<i>Audits or reviews</i>	<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
<i>Mineral tenement and land tenure status</i>	<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"> • EPM17672 & EPM17938 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.

Criteria	JORC Code explanation	Commentary
<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"> The Mary Valley Manganese Project, 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 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 for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Not applicable as no data averaging has been used

Criteria	JORC Code explanation	Commentary
<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"> • 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
<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
<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 third phase of exploration will concentrate on petro-physics studies to determine if airborne gravity or electro-magnetic surveys to delineate blind manganese mineralisation.