

**31 December 2014**

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**Quarterly Activities Report and Appendix 5B**  
**For the Quarter ending 31 December 2014**

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

**HIGHLIGHTS**

**NORTH ARTUNA URANIUM NEGOTIATION PROGRESSED WITH CENTRAL LAND COUNCIL**

- The first Mining Meeting with the Traditional Landowners regarding granting of ELA 26284, ELA 26488 and ELA 26490 is scheduled for March 2015; and
- Advice from the Central Land Council regarding to the proposed Exploration Deed over ELA26491, ELA26492 and ELA26493 is pending.

**MARY VALLEY MANGANESE PROJECT**

- Company’s technical team prepared for fieldwork at the old Amamoor and Upper Kandanga mine sites in Queensland. The purpose of this programme is to conduct detailed geological mapping of the old workings and surrounds to clarify orientation of the mineralisation; and
- Large piles of crushed rocks within the Amamoor workings, which may represent historical stockpiles, will be mapped and sampled.

**DATA REVIEW OF NORTHERN URANIUM PROJECTS**

- During the month of December, Eclipse applied to the Northern Territory Geological Survey for all the available historic exploration data over the Devil’s Elbow Project and the Company’s other projects within the northern portion of the NT; and
- The data review will be used to identify and delineate further targets for exploration once tenure is granted.

**ASX CODE**  
EPM

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

## EXPLORATION ACTIVITIES

### NORTHERN TERRITORY PROJECTS:

#### North Arunta (southern NT) Uranium negotiation progressed with Central Land Council

The first s42 Mining Meeting between Eclipse Metals Ltd and the Traditional Owners for granting of North Arunta tenement applications ELA 26284, ELA 26488 and ELA 26490, located north-west of Alice Springs, is scheduled for March 2015.

The purpose of the meeting is to seek approval for uranium exploration from the Traditional Owners over Aboriginal Freehold Land through negotiations with the Central Land Council as their legal representatives.

Advice is also pending from the Central Land Council over ELA26491, ELA26492 and ELA26493. The Company must first agree to the terms and conditions of the Exploration Deed before an offer of grant will be issued by the Northern Territory Department of Mines and Energy .

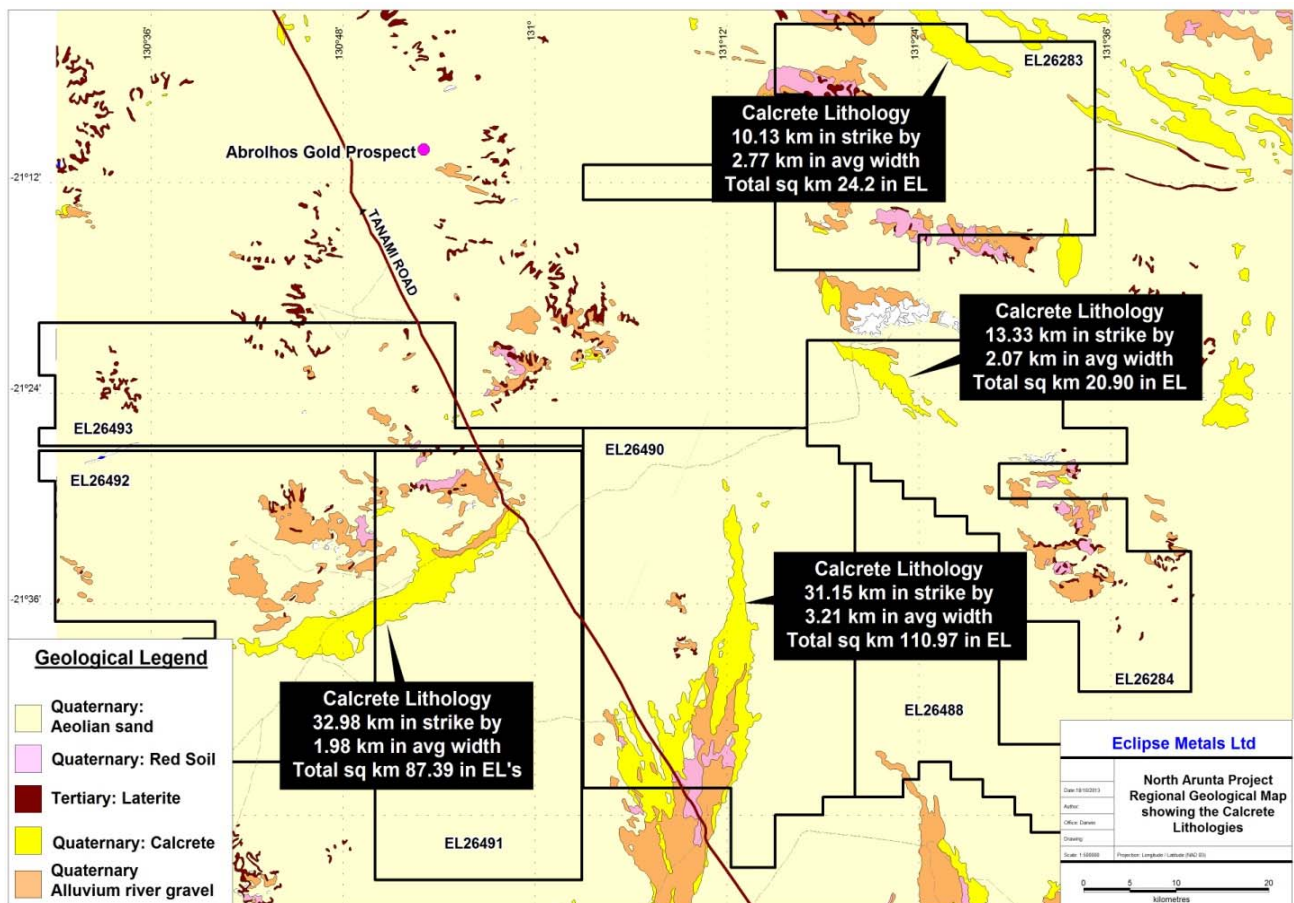


Figure 1: Regional Geology Map showing North Arunta Projects with potential uranium bearing calcrete lithologies

#### Review of Exploration Data over Northern Uranium Projects

In December, Eclipse Metals applied to acquire open file historical exploration reports from the Northern Territory Geological Survey. Currently, the evaluation and interpretation of substantial exploration data from previous work on the West Arnhem, Devil's Elbow project tenements is progressing.

Previous exploration of the Devil's Elbow uranium-gold-palladium prospect located within EL27584 yielded surface samples with high grade uranium assays of **3.2% U<sub>3</sub>O<sub>8</sub>, 3.7% U<sub>3</sub>O<sub>8</sub>, 4.40% U<sub>3</sub>O<sub>8</sub> and 5.8% U<sub>3</sub>O<sub>8</sub>, with 38.1 g/t Au and 28.02 g/t Pd** related to fractures in altered amygdaloidal basalt of the Nungbalgarri Volcanics.

This evaluation will focus on the two phases of ground based exploration activities completed by Uranerz Australia Pty Ltd from 1987 to 1989 and Cameco Australia Pty Ltd from 2003 to 2007.

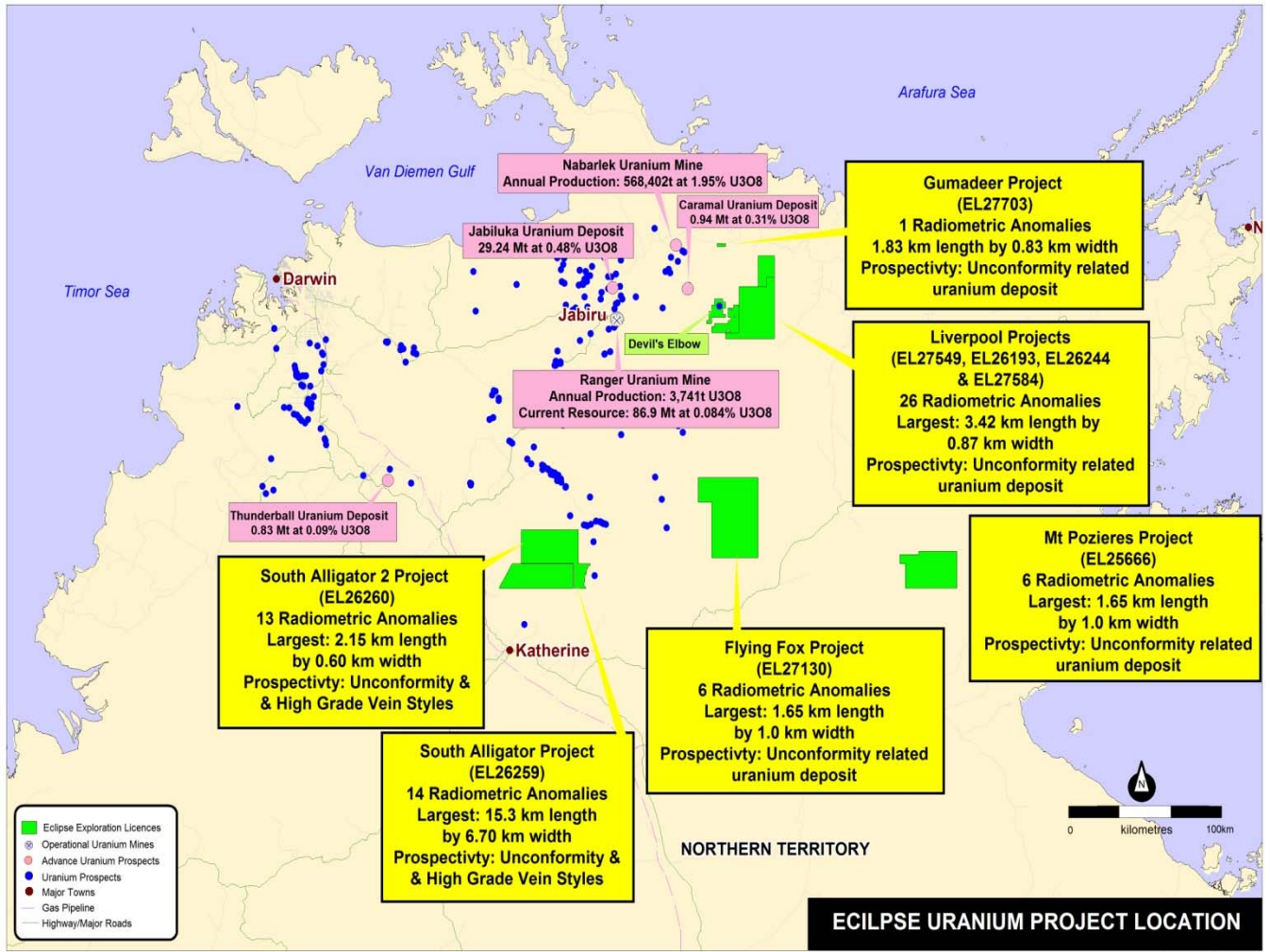


Figure 2: Northern Uranium Projects currently under Geological Review

## QUEENSLAND PROJECTS

### Mary Valley Third Phase Exploration Programme

During December, Eclipse's geological team planned the upcoming third phase of exploration over the Mary Valley Manganese Project.

In July 2014, reconnaissance inspections confirmed that unmined manganese mineralisation is exposed in the walls and floors of the old Amamoor and Upper Kandanga workings. The third phase exploration programme will include detailed geological mapping of the old workings and surrounds to clarify orientation of the mineralisation. Field observations will facilitate development of a drilling programme to test manganese mineralisation along strike and at depth below the old workings.

Historical stockpiles will be mapped and sampled to determine size distribution and grade as part of the mapping programme. Such stockpiles may provide an initial source of saleable manganese product.

**TENEMENT INTERESTS AT THE END OF THE QUARTER****Granted Mining tenements at the end of the quarter**

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Area	
						Blk	km <sup>2</sup>
EL 27567	Mt Wells	Gold-Base Metals	Granted	NT	Eclipse Metals Pty Ltd	9	29.99
EL 26257	West Batchelor	Iron-Gold-Uranium-Tin	Granted	NT	Eclipse Metals Pty Ltd	123	407.05
EL 24808	Eclipse	Uranium	Granted	NT	Eclipse Metals Pty Ltd	27	85.79
EL 27117	West McArthur	Manganese-Base Metals	Granted	NT	Eclipse Metals Pty Ltd	193	629.84
EPM 17672	Mary Valley	Manganese	Granted	QLD	Eclipse Metals Pty Ltd	54	167.40
EPM 17938	Mary Valley	Manganese	Granted	QLD	Eclipse Metals Pty Ltd	4	12.40
EPM 18596	Moonford	Iron	Granted	QLD	Eclipse Metals Pty Ltd	40	124.00
EL 7986	Moss Vale	Bauxite	Granted	NSW	Eclipse Metals Ltd	10	31.00
<b>TOTAL</b>						<b>1,487.41</b>	

**Exploration Licences Application at the end of the quarter**

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Area	
						Blk	km <sup>2</sup>
ELA 24623	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	305	932.06
ELA 24624	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	476	1,457.58
ELA 24627	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	500	1,518.00
ELA 24861	Lake Mackay	Uranium	Application	NT	Eclipse Metals Ltd	50	158.70
ELA 25666	Mt Poizieres	Uranium	Application	NT	Eclipse Metals Ltd	229	780.60
ELA 26193	Liverpool 1	Uranium	Application	NT	Eclipse Metals Ltd	240	804.40
ELA 26244	Liverpool 2	Uranium	Application	NT	Eclipse Metals Ltd	50	163.30
ELA 26259	South Alligator 1	Uranium	Application	NT	Eclipse Metals Ltd	202	660.70
ELA 26260	South Alligator 2	Uranium	Application	NT	Eclipse Metals Ltd	274	883.30
ELA 26487	Yuendi	Uranium-Copper	Application	NT	Eclipse Metals Ltd	320	1,003.00
ELA 26489	Mackay	Uranium	Application	NT	Eclipse Metals Ltd	157	497.40
ELA 26283	Mt Theo	Uranium	Application	NT	Eclipse Metals Ltd	260	832.70
ELA 26284	Mt Patricia	Uranium	Application	NT	Eclipse Metals Ltd	234	747.80
ELA 26488	Atlee	Uranium	Application	NT	Eclipse Metals Ltd	233	743.50
ELA 26490	Yoolgarri	Uranium	Application	NT	Eclipse Metals Ltd	368	1,156.00
ELA 26491	Chilla Well	Uranium	Application	NT	Eclipse Metals Ltd	325	1,007.00
ELA 26492	Wid Cat Bore	Uranium	Application	NT	Eclipse Metals Ltd	330	1,054.00
ELA 26493	Puyurru	Uranium	Application	NT	Eclipse Metals Ltd	187	598.60
ELA 27130	Flying Fox	Uranium	Application	NT	Eclipse Metals Ltd	482	1,607.98
ELA 27549	Liverpool 3	Uranium	Application	NT	Eclipse Metals Ltd	51	171.07
ELA 27584	Devil's Elbow	Uranium	Application	NT	Eclipse Metals Ltd	30	100.45
ELA 27703	Gumadeer	Uranium	Application	NT	Eclipse Metals Ltd	3	9.53
EPM25698	West Mary Valley	Manganese	Application	QLD	Eclipse Metals Ltd	10	30.01
<b>Total Area</b>						<b>16,917.68</b>	

**Tenements Acquired during the Quarter**

No Exploration Licences were acquired during this period.

## **Tenements Relinquished during the Quarter**

No Exploration Licences were relinquished during the December 2014 quarter.

## **Corporate**

On 29<sup>th</sup> October 2014, Mr Justin Barton resigned as a Non-Executive Director for personal reasons.

During the quarter, the Company finalised the appointment of a Chief Financial Officer (CFO) who will be responsible for the day to day accounting function as well as preparing and co-ordinating the Annual and Interim Financial Reports.

The Company held its Annual General Meeting on 27 November 2014 and all Resolutions put before the Shareholders were approved.

In order to preserve the Company's cash balances the Directors had previously resolved to accept Shares in lieu of fees and following the approval by Shareholders at the Annual General Meeting; the respective Shares were issued in December 2014.



Pedro Kastellorizos  
Executive Director

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*Mr Pedro 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 Rodney Dale, a Non-Executive Director of Eclipse Metals Limited, 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.*

# 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 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(61)	(136)
(b) development	-	-
(c) production	-	-
(d) administration	(27)	(89)
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>(88)</b>	<b>(225)</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 <sup>1</sup>	-	-
(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)	-	-
<b>Net investing cash flows</b>	<b>(88)</b>	<b>(225)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(88)</b>	<b>(225)</b>

## Appendix 5B

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

1.13	Total operating and investing cash flows (brought forward)	(88)	(225)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. <sup>1</sup>	150	150
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 proceeds of \$30k) <sup>2</sup>	35	95
	<b>Net financing cash flows</b>	185	245
	<b>Net increase (decrease) in cash held</b>	161	34
1.20	Cash at beginning of quarter/year to date	214	341
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	375	375

1. Capital raising funds of \$150,000 were received during December 2014 and the Shares were issued in January 2015. The issue of these Shares was approved by Shareholders at the Company's 2014 Annual General Meeting.

2. The underwriter to the Entitlements Issue has transferred 120 million Shares to unrelated parties that will make the Shares available to future investors and direct the proceeds to the Company. During the quarter, a total of \$35,000 was received by the Company. The Company remains in discussions with a range of potential future investors in relation to the remaining Shares to the value of \$39,523.

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	31
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

#### 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

N/A

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

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

**Financing facilities available**

Add notes as necessary for an understanding of the position.

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

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	90
4.2 Development	-
4.3 Production	-
4.4 Administration	50
<b>Total</b>	<b>140</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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	375	214
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>375</b>	<b>214</b>

**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	N/A	N/A	N/A	N/A
6.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A



## Appendix 5B

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

#### 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	West Batchelor	EL 26257	100%	Eclipse Metals Ltd
Queensland	Mary Valley	EPM 17672	55.61%	Walla Mines Pty Ltd
Queensland	Amamoor	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
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	Mt Poizieres	ELA 25666	100%	Eclipse Metals Ltd
Northern Territory	Liverpool 1	ELA 26193	100%	Eclipse Metals Ltd
Northern Territory	Liverpool 2	ELA 26244	100%	Eclipse Metals Ltd
Northern Territory	South Alligator 1	ELA 26259	100%	Eclipse Metals Ltd
Northern Territory	South Alligator 2	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> (description)				

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

7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	596,106,824	596,106,824		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	150,000 103,023,813	- -	<i>Exercise price</i> 20 cents 6 cents	<i>Expiry date</i> 30/11/15 30/11/16
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Appendix 5B

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

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#### Compliance statement

- 1 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).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Print name:



Eryn Kestel  
Company Secretary

Date: 29 January 2015

#### Notes

- 1 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.
- 2 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.
- 3 **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.
- 4 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.
- 5 **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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