



Eclipse Metals Limited

ABN 85 142 366 541

and its controlled entities

**Half year report for the half-year ended
31 December 2014**

Corporate directory

Board of Directors

Mr Carl Popal	Executive Director
Mr Pedro Kastellorizos	Executive Director
Mr Rodney Dale	Non-Executive Director
Mr Justin Barton	Non-Executive Director resigned 29 October 2014

Company Secretary

Ms Eryn Kestel

Registered Office

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Postal Address

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Website

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West Perth, Western Australia 6005

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Securities Exchange

Australian Securities Exchange Limited
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Perth, Western Australia 6000

ASX Codes

Shares: EPM
Options: EPMO

Half year report for the half-year ended 31 December 2014

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Directors' report

The directors of Eclipse Metals Limited ("the Company") submit herewith the financial report of Eclipse Metals Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of the directors of the Company during or since the end of the half-year are:

Mr Carl Popal

Mr Pedro Kastellorizos

Mr Rodney Dale

Mr Justin Barton - Resigned 29 October 2014

Review of operations

The loss for the Group for the half-year ended 31 December 2014, after providing for income tax, amounted to \$145,101 compared with a loss of \$815,241 for the half-year ended 31 December 2013.

Overall Project Summary

Eclipse Metals Limited holds or has applied for an impressive portfolio of 30 exploration licences with an area of 18,375km² in the Northern Territory and Queensland. This multi-commodity tenement package includes prospects for manganese, iron, gold, uranium and base metal mineralisation (Refer Map Figure 1).

During the course of the reporting period all projects were assessed for their mineral prospectivity. The Company focused its activities primarily on the Mary Valley Manganese and Moonford Iron Projects in Queensland with an initial examination in April followed by a more detailed geological evaluation commenced in June and completed in July 2014.

In conjunction with ground exploration activities, the company also participated in a Native Title meeting with Traditional owners regarding granting of ELA 24624 and ELA 24627 (Ngalia Basin Projects) and to seek approval for uranium exploration. Preliminary feedback from the Traditional Landowners is that approval to conduct uranium exploration can be granted once an Exploration Deed is signed between both parties.

Eclipse Metals Ltd has also scheduled Native Title meetings with Traditional owners over ELA 26284, ELA 26488 and ELA 26490.

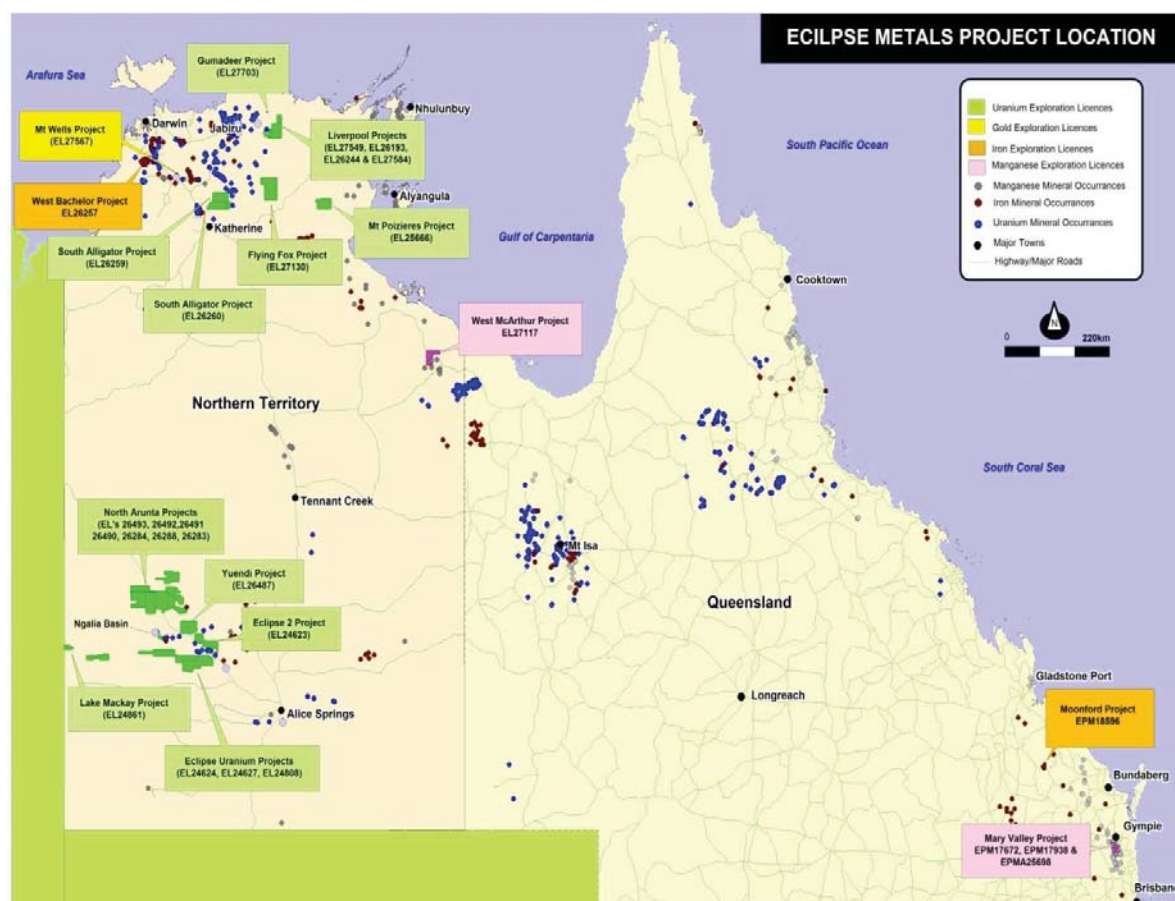


Figure 1: Eclipse Metals Ltd Project Locations

EXPLORATION HIGHLIGHTS:

MARY VALLEY MANGANESE

- Rock-chip sample assays returned results up to 52% manganese in the Mary Valley project tenements:-
 - **Amamoor:- 52% Mn**
 - **Skyring Creek:- 51% Mn**
 - **Zacharia Creek:- 46% Mn**
 - **Upper Kandanga:- 43% Mn**
 - **Donaldsons:- 43% Mn**
- Recent assessment of historical mine workings indicates that full extent of mineralisation has not been exploited, providing substantial exploration upside.
- Significantly increased geological understanding and development of manganese exploration targets in Mary Valley.
- At Amamoor in particular, geological evaluation of old workings and surrounds indicates that mineralisation is more widespread than the old workings with indications that there may be significant near surface extensions of both high grade and low grade (beneficiable) mineralisation.
- Potential to identify additional mineralisation at Mary Valley in many prospects in these largely under-explored tenements where only a limited area has been examined to date.
- Additional EPM applied for to cover extensions of known mineralisation.

The second phase of exploration including geological mapping and surface sampling has defined extensive surface manganese mineralisation in the Mary Valley Manganese Project tenements. Historically, the two granted 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.

Field examination was concentrated in the southern part of the exploration permits, where previous mining has produced high grade manganese ore. In the Amamoor and Upper Kandanga prospects (*Refer map Figure 2*) it is evident that there are substantial further deposits of high grade, potentially direct shipping ore (DSO) and lower grade beneficiable mineralisation in proximity to the old workings and in strike extensions of known deposits.

Records of historical high grade ore mined within the Mary Valley manganese area and analyses from recent rock-chip samples, indicate that manganese and silica levels fall within the DSO parameters for saleable manganese ore from Australia and other countries around the world.

An additional Exploration Permit for Minerals (EPM) No. 25698 was applied for on behalf of Eclipse Metals Ltd on 24th July 2014 to extend the Mary Valley Manganese Project area. The new application area lies on the western boundary of the highly prospective historical Eel Creek Manganese Mine.

Historically, this area has yielded 210t of high grade direct shipping ore with assays of 43.5% to 44.1% Mn from mining operations carried out from 1908 to 1910 at the Queen Mary and Jerry Creek workings.

Further Exploration

During the third phase of exploration, samples of manganese mineralisation will be collected from the field for assay and petro-physical studies to determine suitable methods for further geophysical exploration and to facilitate targeting for a proposed RC drilling programme.

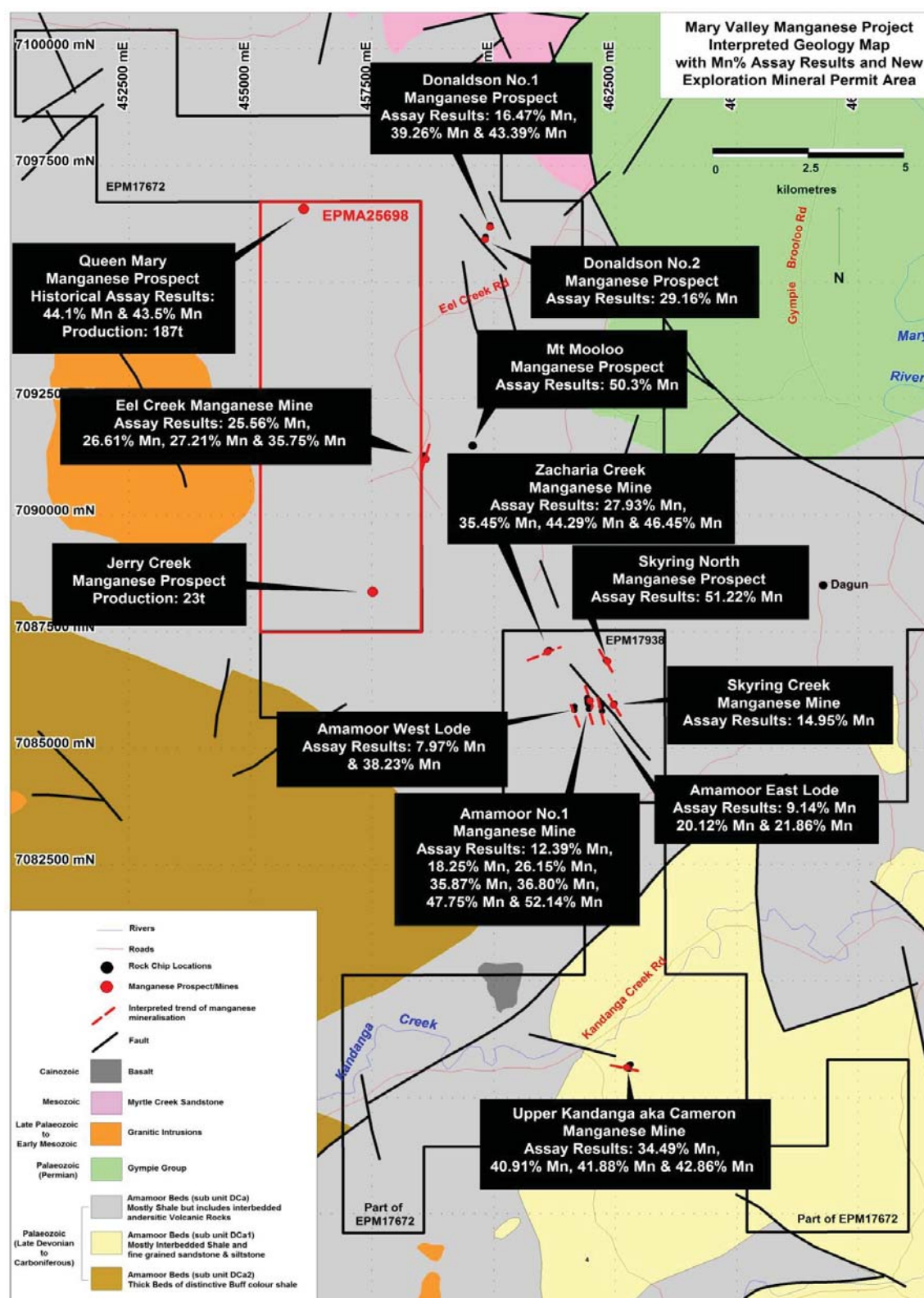


Figure 2: Regional Interpreted Geology Map showing sample locations and Mn%

MOONFORD IRON PROJECT

In July 2014 a second phase of exploration was completed over the Moonford Project where geological mapping and surface sampling has defined extensive iron mineralisation.

- Rock-chip sample assays returned results up to 54% iron in the Moonford project tenement:-
 - Clonmel Road:- **52% Fe**
 - Glenn Valley Road:- **52% Fe**
 - Burnett Highway:- **54% Fe**
- Recent sample assays have returned significantly higher iron grades compared with results from historical work. All rock chip samples returned + 42% Fe.
- Metallurgical studies will be undertaken in due course to assess potential to increase the overall iron grade through beneficiation.
- Iron mineralisation in the project area is readily accessible, close to transport and could be extracted by a simple, inexpensive strip-mining method.

The iron enriched oolitic ironstone is a regionally extensive, eroded, flat-lying layer about 5m thick that outcrops in three main areas:- in the northeast of the project area adjacent to Clonmel Road; centrally around Glen Valley Road and in the south of the project area around the Burnett Highway. (*Refer map Figure 3*)

The Moonford Project is located approximately 15km north-west of Monto township/railway line, approximately 133 rail kilometres from the port of Gladstone in Queensland. The Gladstone Port contains one of the largest bulk handling port facilities in Queensland.

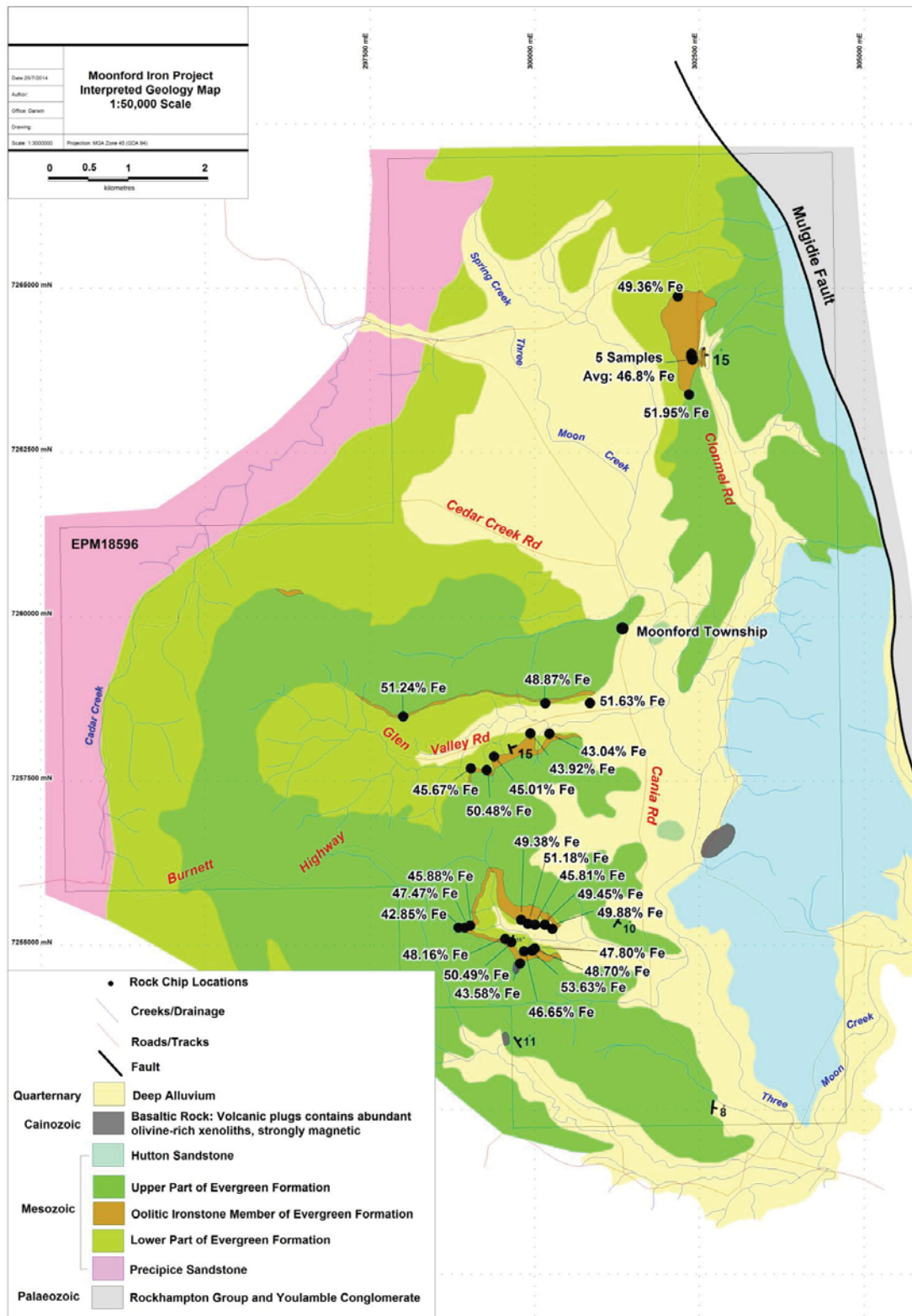
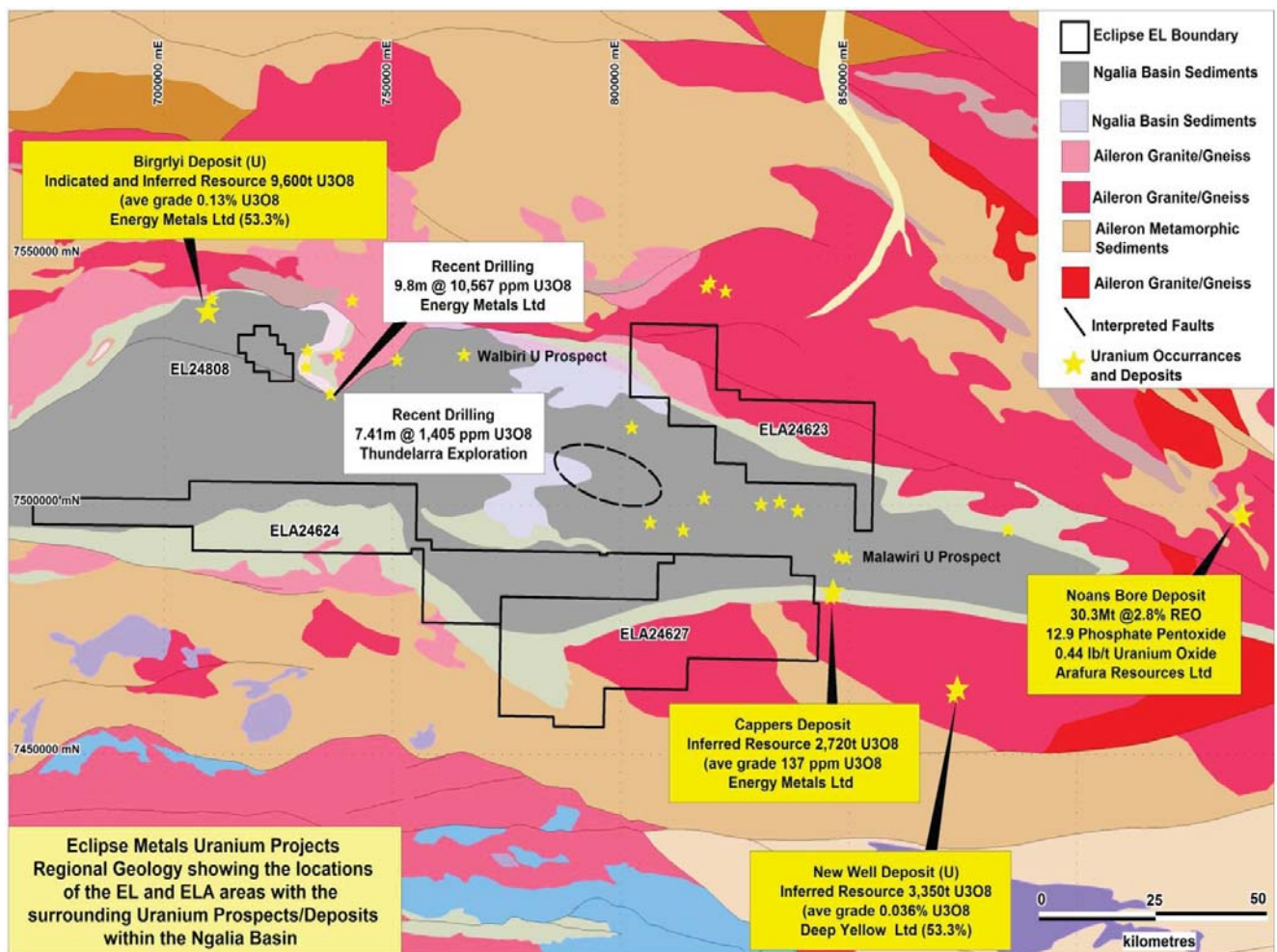


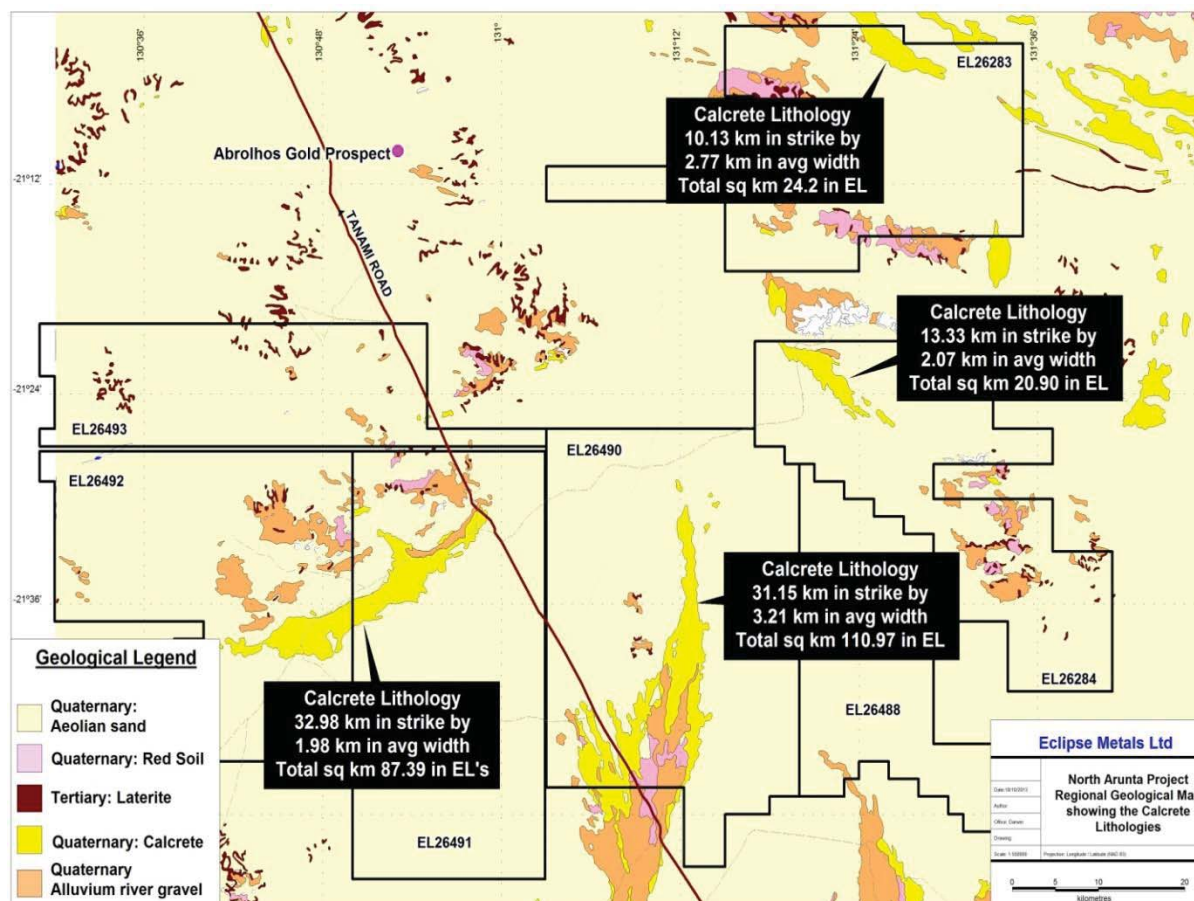
Figure 3: Regional Interpreted Geology Map showing sample locations and Fe%

NGALIA BASIN URANIUM (southern NT)

- The first Native Title Meetings scheduled for ELA 24624 & ELA 24627 was conducted on 20th August 2014.
- Preliminary feedback from the Traditional Landowners is that approval to conduct uranium exploration can be granted once an Exploration Deed between the parties is agreed and executed. Signing of the exploration agreement is anticipated to be completed early in 2015.
- Eclipse has also extended the negotiating period for ELA 26283, 26284, 26487, 26488, 26489, 26490, 26491, 26492 & 26493 held by subsidiary Whitvista Pty Ltd until the 31st October 2015.

**NORTH ARUNTA PROJECT URANIUM PROJECT**

The first Schedule 42 Mining Meeting between Eclipse Metals Ltd and the Traditional owners is planned to take place on 22nd March 2015 over ELA 26284, ELA 26488 and ELA 26490, situated north-west of Alice Springs. Terms and conditions for ELA26491, ELA 26492 and ELA 26493 will also be discussed during this Mining Meeting with the Traditional landowners and the Central Land Council. The purpose of the meeting is to seek approval for uranium exploration over Aboriginal Freehold Land from the Traditional owners through negotiations with the Central Land Council as their legal representative.



TENEMENT INTERESTS AT THE END OF THE PERIOD

Granted Mining tenements

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Area	
						Blk	km ²
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 West	Uranium	Granted	NT	Eclipse Metals Pty Ltd	27	85.79
EL 27117	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	Amamoor	Manganese	Granted	QLD	Eclipse Metals Pty Ltd	4	12.40
EPM 18596	Moonford	Iron	Granted	QLD	Eclipse Metals Pty Ltd	40	124.00
EPM 17938	Amamoor	Manganese	Granted	QLD	Eclipse Metals Pty Ltd	4	12.40
TOTAL						1,456.4	

Exploration Licences Application

Tenement	Project Name	Commodity	Status	Stat	Beneficial Holder	Blk	Area km ²
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
Total Area						16,917.68	

Corporate

The following changes were made to the Board during the half-year ended 31 December 2014:

Mr Justin Barton retired as a director in October 2014. We thank Mr Barton for his significant contribution to the Company.

In addition, during the period under review, Mrs Rouchelle Wykes was appointed as Chief Financial Officer.

Principal activities

The principal activities of the Group during the period was the review of existing leases, which resulted in the company issuing upgraded reports to Australian Securities Exchange ("ASX") covering its Iron, Gold, Manganese and Uranium project areas in Queensland and Northern Territory.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included on page 11 and forms part of the directors' report for the half- year ended 31 December 2014. Signed in accordance with a resolution of directors made pursuant to s.306(3) of the corporations Act 2001

On behalf of the directors



Mr Carl Popal
Executive Director

20 February 2015
Perth, Western Australia

20 February 2015

Board of Directors
Eclipse Metals Limited
Level 3, 1060 Hay Street
WEST PERTH WA 6005

Dear Sirs

RE: ECLIPSE METALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Eclipse Metals Limited.

As Audit Director for the review of the financial statements of Eclipse Metals Limited for the period ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ECLIPSE METALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eclipse Metals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Eclipse Metals Limited (the consolidated entity). The consolidated entity comprises both Eclipse Metals Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Eclipse Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eclipse Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Eclipse Metals Limited on 20 February 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eclipse Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Regarding Going Concern and Capitalised Exploration Costs

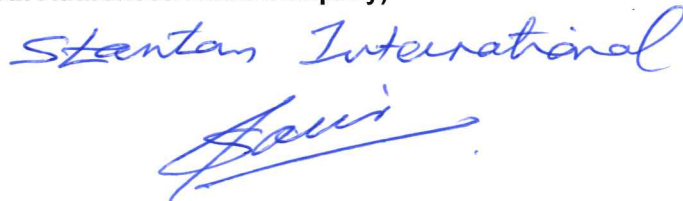
Without qualification to the review conclusion expressed above, attention is drawn to the following matters:

As referred to in note 1 to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2014 the consolidated entity had cash and cash equivalents of \$371,814 and a net working capital of deficiency of \$778. The consolidated entity had incurred a net loss for the period ended 31 December 2014 of \$145,101.

The ability of the consolidated entity to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Company raising further working capital, and/or successfully exploiting its mineral assets. In the event that the Company cannot raise further equity, the Company and consolidated entity may not be able to meet their liabilities as they fall due and the realisable value of the consolidated entity's non-current assets may be significantly less than book value.

The recoverability of the consolidated entity's carrying value of capitalised exploration and acquisition costs of \$4,134,292 is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate amounts at least equivalent to their book values. In the event that the consolidated entity is not successful in the commercial exploitation and/or sale of the assets, the realisable value of the consolidated entity's assets may be significantly less than their current carrying values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir R Tirodkar
Director

West Perth, Western Australia
20 February 2015

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position as at 31 December 2014 and performance of the Group for the half year ended that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



Mr Carl Popal
Executive Director

20 February 2015
Perth, Western Australia

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2014

	Note	Consolidated	
		Half-year ended	
		31 Dec 2014	31 Dec 2013
		\$	\$
Continuing operations			
Revenue and other income	2	1,063	881
Employee benefits expenses and director fees		(151,248)	(147,072)
Consultancy expenses		(5,954)	(26,250)
Professional services expenses		(24,783)	(118,135)
Listing expenses		(20,848)	(25,173)
Travel expenses		(661)	(2,327)
Administration expenses		(37,670)	(15,784)
Impairment reversal/ (expenses)		95,000	(481,381)
Depreciation expenses		-	-
Finance expenses		-	-
Loss before income tax		(145,101)	(815,241)
Income tax expense		-	-
Loss for the period		(145,101)	(815,241)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(145,101)	(815,241)
Loss attributable to:			
Owners of Eclipse Metals Limited		(144,107)	(800,300)
Non-controlling interests		(994)	(14,941)
		(145,101)	(815,241)
Total comprehensive loss attributable to:			
Owners of Eclipse Metals Limited		(144,107)	(800,300)
Non-controlling interests		(994)	(14,941)
		(145,101)	(815,241)
Loss per share:			
Basic and diluted (cents per share)		(0.03)	(0.15)

Condensed notes to the consolidated financial statements are included on pages 19 to 22.

Consolidated statement of financial position as at 31 December 2014

	Note	Consolidated	
		31 Dec 2014	30 Jun 2014
		\$	\$
Current assets			
Cash and cash equivalents		371,814	341,128
Trade and other receivables		56,234	116,730
Prepayments		14,340	2,838
Total current assets		442,388	460,696
Non-current assets			
Exploration and evaluation expenditure	3	4,134,292	4,059,182
Other financial assets	4	-	-
Total non-current assets		4,134,292	4,059,182
Total assets		4,576,680	4,519,878
Current liabilities			
Trade and other payables		443,166	498,088
Total current liabilities		443,166	498,088
Total liabilities		443,166	498,088
Net assets		4,133,514	4,021,790
Equity			
Issued capital	5	23,170,781	22,913,956
Reserves		38,950	38,950
Accumulated losses		(19,100,939)	(18,956,832)
Owners of Eclipse Metals Limited		4,108,792	3,996,074
Non-controlling interests		24,722	25,716
Total equity		4,133,514	4,021,790

Condensed notes to the consolidated financial statements are included on pages 19 to 22.

Consolidated statement of changes in equity for the half-year ended 31 December 2014

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Sub-total \$	Non- controlling interests \$	Total \$
Balance at 1 July 2013		22,764,510	38,950	(18,176,773)	4,626,687	51,851	4,678,538
Loss for the period		-	-	(800,300)	(800,300)	(14,941)	(815,241)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss for the period		-	-	(800,300)	(800,300)	(14,941)	(815,241)
Issue of ordinary shares		171,320	-	-	171,320	-	171,320
Share issue costs		(21,814)	-	-	(21,814)	-	(21,814)
Balance at 31 December 2013		22,913,956	38,950	(18,977,073)	3,975,833	36,910	4,012,743
Balance at 1 July 2014		22,913,956	38,950	(18,956,832)	3,996,074	25,716	4,021,790
Loss for the period		-	-	(144,107)	(144,107)	(994)	(145,101)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss for the period		-	-	(144,107)	(144,107)	(994)	(145,101)
Issue of ordinary shares		108,750	-	-	108,750	-	108,750
Shares to be issued	5	150,000	-	-	150,000	-	150,000
Share issue costs		(1,925)	-	-	(1,925)	-	(1,925)
Balance at 31 December 2014		23,170,781	38,950	(19,100,939)	4,108,792	24,722	4,133,514

Condensed notes to the consolidated financial statements are included on pages 19 to 22.

Consolidated statement of cash flows for the half-year ended 31 December 2014

	Note	Consolidated	
		Half-year ended	
		31 Dec 2014	31 Dec 2013
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(187,460)	(283,850)
Refund of deposits		57,549	-
Interest received		909	881
Net cash used in operating activities		(129,002)	(282,969)
Cash flows from investing activities			
Payments for prospects		-	(54,289)
Payments for exploration and evaluation expenditure		(80,312)	(53,330)
Net cash used in investing activities		(80,312)	(107,619)
Cash flows from financing activities			
Proceeds from shares to be issued	4	150,000	-
Proceeds from issuance of shares		-	8,500
Share issue costs		-	(3,131)
Proceeds from sale of own shares	4	90,000	83,500
Net cash provided by financing activities		240,000	88,869
Net increase/(decrease) in cash and cash equivalents		30,686	(301,719)
Cash and cash equivalents at the beginning of the period		341,128	372,283
Cash and cash equivalents at the end of the period		371,814	70,564

Condensed notes to the consolidated financial statements are included on pages 19 to 22.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2014

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Group for the year ended 30 June 2014 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 20 February 2015.

a. Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Eclipse Metals Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group.

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary courses of business. For the half year ended 31 December 2014 the Group incurred a loss of \$145,101 (31 December 2013: loss \$815,241) and had negative working capital of \$778 (30 June 2014: \$37,392). Based upon the Group's existing cash resources of \$371,814 (30 June 2014: \$341,128), the ability to modify expenditure outlays if required, and to source additional funds, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the Group's 31 December 2014 half year financial report. The Board of Directors is aware, having prepared a cashflow forecast, of the Group's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months. In the event that the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

2. Revenue and other income

	31 Dec 2014	31 Dec 2013
	\$	\$
Interest income	909	881
Expense reimbursement	154	-
	1,063	881

3. Exploration and evaluation expenditure

	31 Dec 2014	30 Jun 2014
	\$	\$
Balance at beginning of the period	4,059,182	4,047,844
Additions	80,312	163,282
Disposals	-	(56,529)
Impairment (i)	(5,202)	(95,415)
	4,134,292	4,059,182

Exploration and evaluation expenditure

There is uncertainty as to the recoverability of the deferred exploration and evaluation expenditure assets of Eclipse Metals Limited. The recoverability of the deferred exploration and evaluation expenditure assets is dependent upon the successful development and commercialisation exploitation, or alternatively, sale of the respective areas. This material uncertainty may cast doubt about the Group's ability to realise the asset at the values stated in the consolidated statement of financial position.

(i) An impairment of \$5,202 relating to EL 24880 Pine Creek which was relinquished during the half-year ended 31 December 2014 was recognised.

4. Other financial assets

As at 31 December 2014, a total of \$90,000 has been received for issue of shares, and 7,254,505 shares remain available to future investors with a value of \$31,657 which has been fully provided for.

	31 December 2014	
	No.	\$
Shares Issued		
Balance at beginning of period	25,331,428	126,657
<i>Movements during the period:</i>		
Shares sold during the period	(17,076,923)	(90,000)
Shares issued for services received	(1,000,000)	(5,000)
	7,254,505	31,657

5. Issued Capital

	31 Dec 2014	30 Jun 2014
	\$	\$
Fully paid ordinary shares (a)	22,172,702	22,065,877
Shares to be issued (b)	150,000	-
Options issued (c)	848,079	848,079
	23,170,781	22,913,956

(a) Fully paid ordinary shares

	31 Dec 2014		30 Jun 2014	
	No.	\$	No.	\$
Balance at beginning of period	559,856,824	22,065,877	525,592,824	21,916,431
Issued for services received	36,250,000	108,750	-	-
Issued on 9 Sept 2013 for the conversion of creditor balances	-	-	1,814,000	9,070
Issued on 10 Sept 2013 for the conversion of creditor balances	-	-	2,000,000	10,000
Issued on 11 Sept 2013 pursuant to the entitlement issue shortfall	-	-	1,700,000	8,500
Issued on 27 Dec 2013 pursuant to AGM resolutions passed	-	-	28,750,000	143,750
Share issue costs	-	(1,925)	-	(21,874)
	596,106,824	22,172,702	559,856,824	22,065,877

- (b) **Shares to be issued** - \$150,000 relates to shares that were issued in January 2015 but cash was received in December 2014.

(c) **Options issued**

	31 Dec 2014		30 Jun 2014	
	No.	\$	No.	\$
Balance at beginning of period	103,173,813	848,079	112,047,313	848,079
<i>Movements during the year:</i>				
Expired on 31 May 2014	-	-	(8,873,500)	-
	103,173,813	848,079	103,173,813	848,079

6. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities at the end of the reporting period.

7. Commitments

a. Leasing commitments

At the half-year ended 31 December 2014, the Group had a lease agreement with Amberley Business Centre. The lease expires on 5 January 2016 and no replacement office lease agreement has been entered into by the Company as at the date of this half-year report.

b. Exploration commitments

Exploration commitments not longer than one (1) year total \$982,000 and commitments longer than one (1) year and not longer than five (5) years total \$1,200,000. These commitments may vary depending on whether the group relinquishes any tenements or enters into formal arrangements.

8. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2014 annual financial report.

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits and share-based payments.

9. Segment information

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately. Eclipse Metals Limited has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenues and results of this segment are those of the Group and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Group and are set out in the consolidated statement of financial position.

10. Subsidiaries

Entity	Incorporation	Percentage owned (%)*	
		31 Dec 2014 Ownership	30 Jun 2014 Ownership
North Minerals Pty Ltd	Australia	100.00	100.00
Central Energy Pty Ltd	Australia	100.00	100.00
Whitvista Pty Ltd	Australia	100.00	100.00
U308 Agencies Australia Pty Ltd	Australia	100.00	100.00
Walla Mines Pty Ltd (i)	Australia	55.61	55.61
Contour Resources Pty Ltd	Australia	99.48	99.48

* Percentage of voting power is in proportion to ownership.

(i) Direct and indirect percentage owned.

11. Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.