

ECLIPSE METALS LIMITED

ACN 142 366 541

RIGHTS ISSUE OFFER DOCUMENT

For a non-renounceable Entitlement issue of one (1) New Share for every two (2) existing Shares held by Eligible Shareholders registered at 5.00pm (WST) 10 November 2015 at an issue price of 0.25 cents per Share to raise up to approximately \$808,884 (before expenses) (**Offer**).

The Offer is not underwritten.

IMPORTANT NOTICE

This document is not a prospectus and has not been lodged with ASIC. It is for information purposes only.

Accordingly, this document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the Securities offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This offer opens on 13 November 2015 and closes at 5.00pm (WST) on 11 December 2015, unless extended at the Directors' discretion.

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

This Offer Document is dated 04 November 2015. This Offer Document is important and requires your immediate attention. It should be read in its entirety together with the Entitlement and Acceptance Form accompanying it. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a prospectus and this Offer Document does not contain all of the information which a prospective investor may require to make an investment decision or which would otherwise be required under Australian Law or any other law to be disclosed in a prospectus. The Offer Document is not required to be, and will not be, lodged with ASIC. Eligible Shareholders should therefore consider whether the securities offered under this document are a suitable investment in the light of their own investment objectives and financial circumstances and the merits or risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to the ASX. If, after reading this Offer Document, Eligible Shareholders have any questions regarding the Offer, they should contact their stockbroker, accountant or other independent professional adviser before deciding whether to accept the Offer. The information in this Offer Document does not constitute securities recommendation or financial product advice.

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Offer Document. Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out in Section 0 of this Offer Document.

Eligibility and Offering Restrictions

Applications for Securities by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Forms sets out an Eligible Shareholder's Entitlement to participate in the Offer. Refer to sections 1.10, 1.11 and 1.12 below for more information on Entitlements, eligibility and Eligible Shareholders.

Overseas Shareholders – Offer Restrictions and Nominee Arrangements

This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

However, pursuant to section 615 of the Corporations Act and ASX Listing Rule 7.7, the Company has appointed CPS Capital Group Pty Ltd as the Company's foreign holder nominee for the Offer (Nominee) to sell the Entitlements of Ineligible Shareholders. The Company has applied to ASIC to approve the appointment of the Nominee. However, as at the date of this Offer Document, ASIC has not approved the appointment of the Nominee. The Company will pay set up fees to the Nominee of \$2,500 as described section 1.11 below.

Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share registry. You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1998 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, New Shares offered by this Offer Document.

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1 DETAILS OF THE OFFER

1.1 The Offer

The Company is making a non-renounceable pro-rata offer of one (1) New Share for every two (2) existing Shares held by Shareholders registered at 5:00pm (WST) on 10 November 2015 at an issue price of 0.25 cents per New Share to raise up to approximately \$808,884 (before expenses of the Offer).

The Company intends to apply the funds raised from the Offer to fund ongoing expenditure work at the Company's Mary Valley and Liverpool Uranium project, seek and consider new project opportunities, to meet the expenses of the Offer and for general working capital.

The cash costs of the Offer will be approximately \$20,000.

Use of Funds	\$
Further exploration work at the Company's Mary Valley project	400,000
Seek and evaluate new project/business opportunities	200,000
Additional working capital	208,884
Expenses of the Offer	20,000
Total funds applied	788,884

Notes:

1. The above use of funds table assumes that all the New Shares under the Offer are issued.
2. General working capital includes corporate administration and operating costs and may be applied to ASX and share registry fees, legal and tax, audit and corporate advisory fees and insurance costs.
3. The Company continues to identify and evaluate new project opportunities and must have the ability to be able to commence immediate due diligence processes to determine applicability including preparation of Confidentiality Agreements, access to and review of data rooms and the commissioning of independent experts.
4. This table is a statement of our proposed application of the funds raised as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

As at the date of this Offer Document, the Company has on issue:

Shares	Number
Listed ordinary fully paid shares	647,106,824

Options	Number
Unlisted options exercisable at 20 cents on or before 30 November 2015	150,000
Unlisted options exercisable at 6 cents on for before 30 November 2016	103,023,813
Total Options	103,173,813

New Shares are fully paid ordinary shares which upon issue will rank equally with existing Shares on issue.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction such fraction will be rounded down to the nearest whole number.

1.2 Terms and conditions of New Shares

The New Shares issued under this Offer Document will be on the same terms and conditions as the ordinary fully paid Shares in the Company currently on issue.

1.3 Effect of the Offer on the Capital Structure and Financial Position of the Company

The capital structure of the Company following completion of the Offer (if fully subscribed) is summarised below:

Shares	Number
Shares on issue at the date of the Offer	647,106,824
New Shares now offered under the Offer	323,553,412
Total Shares on issue at completion of the Offer	970,660,236

Options	Number
Unlisted options exercisable at 20 cents on or before 30 November 2015	150,000
Unlisted options exercisable at 6 cents on for before 30 November 2016	103,023,813
Total Options on issue at completion of the Offer	103,173,813

The Company's cash reserves following completion of the Offer, assuming the Offer is fully subscribed, will increase by approximately \$788,884, being the gross proceeds of the Offer, less the costs of the Offer.

1.4 Timetable

Event	Date
Announcement of Rights Issue, Appendix 3B, Cleansing Notice and Offer Document	04 November 2015
Notice Sent to Security Holders	04 November 2015
Ex Date (date from which securities commence trading without the entitlement to participate in the Offer)	06 November 2015
Record Date (date for determining entitlements of eligible shareholders to participate in the Offer as at 5:00pm (WST))	10 November 2015
Offer Document Dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	13 November 2015
Rights Issue Opens	13 November 2015
Closing Date* 5pm (WST)	11 December 2015
New Shares quoted on a deferred settlement basis	14 December 2015
ASX Notified of Shortfall	16 December 2015
Issue Date**	18 December 2015
Dispatch Holding Statements**	22 December 2015

**Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Securities.*

*** Dates are indicative only*

1.5 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer was determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document. Fractional Entitlements will be rounded down to the nearest whole number.

Acceptance of Entitlement in Full

If you wish to take up all of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

Partial Acceptance of Entitlement

You may accept a lesser number of New Shares should you wish to take up only part of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

Please refer to section 0 of this Offer Document for further information.

1.6 Directors' Participation

The relevant interest of each of the Directors in the Securities of the Company as at the date of the Offer Document together with their respective Entitlement is set out in the table below.

Director	Existing Shares	Entitlement to New Shares	Entitlement Monies
Carl Popal	167,258,556	83,629,278	\$250,888
Rodney Dale	6,500,000	3,250,000	\$9,750
Craig Hall	Nil	Nil	Nil

Notes:

1. Mr Popal intends to take up his Entitlement under the Offer; and
2. Mr Dale does not intend to take up his Entitlement under the Offer; and
3. Mr Hall is unable to participate as he is not a Shareholder at the Record Date.

As stated above, Mr Popal intends to take up his Entitlement under the Offer. Mr Popal (and his associated entities) currently hold a 25.85% interest in the Company. Accordingly, Mr Popal's participation in the Offer (to the extent of his Entitlement) has the potential to affect the control of the Company as Mr Popal intends to subscribe for his full Entitlement. The actual effect on control will depend on the level of subscription by Eligible Shareholders pursuant to the Offer and the extent to which the Directors allocate any Shortfall Shares.

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Mr Popal's current shareholder and potential interest in the Company following the Offer is set out below:

Event	Total
Shares held prior to the Offer ¹	167,258,556
% holding prior to the Offer	25.85%
% holding following the Offer assuming 75% of New Shares subscribed under the Offer ²	32.40%
% holding following the Offer assuming 50% of New Shares subscribed under the Offer ²	30.35%
% holding following the Offer assuming 25% of New Shares subscribed under the Offer ²	28.17%
Maximum number of new Shares which may be issued pursuant to Mr Popal's Entitlement	83,629,278
Maximum % holding following the Offer assuming no New Shares subscribed under the Offer ²	34.33%

1. Of this amount, 159,553,131 are held by Ghan Resources Pty Ltd and 7,705,425 are held by Popal Enterprise Pty Ltd.
2. Assumes Mr Popal takes up his full Entitlement and no Shortfall is placed.

1.7 No Excess Entitlement Facility

If you decide not to accept all or part of your Entitlement pursuant to the Offer Document, you are not required to take any action under this section.

There is no facility as part of this Offer for Eligible Shareholders to subscribe for New Shares in excess of their Entitlement.

1.8 Shortfall Share Facility

Subject to the Corporations Act and Listing Rules, the Directors reserve the right to deal with, at their absolute discretion the New Shares which are not taken up by Eligible Shareholders under the Offer (**Shortfall Shares**).

The Shortfall Shares will be issued at the same issue price as offered to Eligible Shareholders pursuant to this Offer Document, being 0.25 cents per New Share issued under the Shortfall.

Following completion of the Offer, the Directors may invite persons to apply for Shortfall Shares under this Offer Document by completing and application form for Shortfall Shares and returning it to the Company together with the relevant application money.

The Directors reserve the right to place the shortfall Shares at their discretion within 3 months following the Closing Date of the Offer.

However, the Directors and any related parties (as that term is defined in the Corporations Act) are unable to be issued Shortfall Shares due to restrictions under the Corporations Act and Listing Rules. Accordingly, no Shortfall Shares will be issued to the Directors or any other related parties of the Company.

1.9 No Underwriting

The Offer is not underwritten.

1.10 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

The Company has determined, in reliance of ASX Listing Rule 7.7.1, that it would be unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

- (a) the small number of Ineligible Shareholders;
- (b) the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- (c) the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Offer is not being extended to any Shareholders outside Australia and New Zealand unless those Shareholders would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Offer.

Where this Offer Document has been dispatched to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Offer, this Offer Document is provided for information purposes only.

1.11 Appointment of Foreign Holder Nominee

Pursuant to section 615 of the Corporations Act and for the purposes of Listing Rule 7.7, the Company has appointed CPS Capital Group Pty Ltd as the Company's foreign holder nominee (**Nominee**). The Company has applied to ASIC to approve the appointment of the Nominee. However, as at the date of this Offer Document, ASIC has not approved the appointment of the Nominee.

Pursuant to the arrangement with the Nominee, the Nominee will subscribe for the New Shares which Ineligible Shareholders would be entitled to if they were eligible to participate in the Offer (**Nominee Shares**).

The Nominee will then sell the Nominee Shares and remit the net proceeds from the sale of the Nominee Shares (if any) to the Ineligible Shareholders in proportion to their respective shareholdings.

The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares must be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of the sale, including brokerage, and any balance will form part of the proceeds payable to the Ineligible Shareholders (if any).

The Company will forward the proceeds of the sale of the Nominee Shares (if any) as soon as reasonably practicable to the Ineligible Shareholders in proportion to their respective shareholdings

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(after deducting the subscription price, brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee must sell the Nominee Shares, Ineligible Shareholders may nevertheless receive no net proceeds if the subscription price plus costs of the sale is greater than the sale proceeds.

The Company will pay the Nominee \$2,500 plus GST.

Both the Company and the Nominee take no responsibility for the outcome of the sale of the Nominee Shares.

1.12 Nominees, Trustees and Custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations. Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas should seek independent advice as to how they should proceed.

1.13 No rights trading

The rights to Securities under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for Securities under the Offer to any other party. If you do not take up your Entitlement to Securities under the Offer by the Closing Date, the Offer to you will lapse.

1.14 Opening and Closing Dates

The Offer opens on the Opening Date, being 13 November 2015. The Company will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date, being 11 December 2015, or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

1.15 Issue and Dispatch

The expected dates for issue of Securities offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in section 1.4 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.16 ASX Listing

Application has been made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription. Issues of New Shares under the Offer will only be made after permission for their quotation on the ASX has been granted.

1.17 CHESS

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares issued to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.18 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax advisor in connection with subscribing for Securities under this Offer Document.

1.19 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 2 of this Offer Document.

1.20 Enquiries concerning Offer Document

Enquiries concerning the Entitlement and Acceptance Form can be made by contacting Security Transfer Registrars Pty Ltd on +61 8 9315 2333.

Enquiries relating to this Offer Document should be directed to the Company on +61 (0) 435 905 770.

1.21 Governing law

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Forms are governed by the laws applicable in Western Australia. Each applicant for Securities under this Offer Document submits to the non-exclusive jurisdiction of the courts of Western Australia.

1.22 Entire agreement

The terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in it is to the exclusion of all prior representations, undertakings and agreements between the Company and you.

ACTION REQUIRED BY SHAREHOLDERS

2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document.

You may participate in the Offer as follows:

(a) If you wish to accept your Entitlement in full:

- (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
- (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form or follow the instructions for BPAY set out in the Entitlement and Acceptance Form;

(b) If you only wish to accept part of your Entitlement:

- (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
- (ii) attach your cheque for the appropriate amount or follow the instructions for BPAY set out in the Entitlement and Acceptance Form;

(c) If you do not wish to accept any part of your Entitlement, you are not obliged to do anything.

2.2 Payment by Cheque – Australia and New Zealand Eligible Shareholders

All cheques must be drawn on an Australian Bank or Bank Draft made payable in Australian currency to “**Eclipse Metals Limited**” and crossed “**Not Negotiable**”.

Your completed Entitlement and Acceptance Form, together with your cheque, must be forwarded to:

By mail:
Security Transfer Registrars
PO Box 535
Applecross WA 6953

By hand
Security Transfer Registrars
770 Canning Highway
Applecross WA 6153

2.3 Payment by BPay – Australia and New Zealand Eligible Shareholders

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. **Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.**

Completed Entitlement and Acceptance Forms must be received no later than 5.00pm (WST) on the Closing Date. **Please note that payment via BPAY must be received no later than 5.00pm WST on 11 December 2015.** Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2 RISK FACTORS

2.1 General

The Securities offered under this Offer Document should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Securities will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

Mineral exploration, development and mining activities are high-risk undertakings and there can be no assurance that any exploration or development activity in regard to the Company's current properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource. Mineral exploration, development and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which by their nature are subject to a number of inherent risks, including the following:

2.2 Exploration, geological and development risks

Mineral exploration and development is a speculative and high risk activity that requires large amounts of expenditure over extended periods of time and may be impeded by circumstances and factors beyond the Company's control. The Company's ability to succeed in this process involves (amongst other things):

- (a) discovery and proving-up, or acquiring, an economically recoverable mineral resource or reserve;
- (b) access to adequate capital throughout the acquisition/discovery and project development phases of a mineral exploration project;
- (c) securing and maintaining title to such mineral exploration projects;
- (d) obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases of the project; and
- (e) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that forthcoming exploration programmes, or subsequent exploration programmes for its projects located in the Northern Territory and Queensland (including for uranium, copper, gold, manganese and iron) or any other exploration projects that may be acquired in the future, will result in the realisation of the Company's objectives such as the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. Further, conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

2.3 Operational & technical risks

The operations of the Company may be affected by various factors, including but not limited to:

- (a) failure to locate or identify mineral deposits;
- (b) failure to achieve predicted grades in exploration and mining;
- (c) operational and technical difficulties encountered in mining;
- (d) insufficient or unreliable infrastructure, such as power, water and transport;
- (e) difficulties in commissioning and operating plant and equipment;
- (f) mechanical failure or plant breakdown;
- (g) unanticipated metallurgical problems which may affect extraction costs;
- (h) adverse weather conditions;
- (i) industrial and environmental accidents;
- (j) industrial disputes and labour shortages; and
- (k) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

2.4 Contracts Risk

From time to time the Company will have in place contracting arrangements with third party contractors for exploration services conducted on its projects. The Directors are unable to predict the risk of:

- (a) financial failure or default of the contractor or any other third party to a contract for which the Company is a party, or
- (b) insolvency or other managerial failure by any of the operators and contractors used the Company in its mining activities, or
- (c) insolvency or other managerial failure by any of the other service providers used by the Company or operators for any activity, or
- (d) mechanical, other operating or commercial failure by the contractor or of the contractors' equipment or services, which are used by or provided to the Company.

The occurrence of such an event may result in alterations to the exploration plans of the Company which may, in turn, adversely affect the Company's operations.

2.5 Tenure risks

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions that must be complied with. The Company's project tenements are currently in good standing, however the Company could lose title to, or its interest in, its mining tenements if conditions of grant are not met or if expenditure commitments are not satisfied.

2.6 Native title and heritage risks

The Company's tenements are subject to common law and native title rights of indigenous Australians. Legitimate native title rights are recognised and protected under the Native Title Act 1993 (Cth) (**Native Title Act**). Further, certain areas containing sacred sites or sites of cultural

significance to indigenous people are also protected under state legislation. The Company's ability to utilise this land and to conduct its exploration activities will be subject to such terms and conditions as the Company may achieve through negotiations with traditional owners or by legal determination under the Native Title Act and/or heritage legislation.

2.7 Future capital needs and additional funding

The funds raised by the Offer will be used to carry out the Company's objective as detailed in this Offer Document and the Company's announcements to ASX. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurances can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

Section 1.1 outlines how the Company intends to use funds raised under the Offer.

2.8 Exploration

Investors should understand that resource exploration and development is by its nature a high risk undertaking. There can be no assurance that the Company's exploration of its Northern Territory and Queensland projects (including for uranium, copper, gold, manganese and iron) or any other exploration projects that may be acquired in the future will result in the discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

2.9 Operations

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, adverse outcomes from project development studies, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in constructing, commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

2.10 Resource estimates

Resources estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

2.11 Uninsured Loss and Liability

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties.

While the Company may obtain insurance against these risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure against or which it may elect not to insure against. The potential costs which could be associated with any liabilities not covered by insurance, or in excess of insurance coverage, or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and potentially its financial condition and results of operations.

No assurance can be given that the Company's insurance will be available at economically feasible premiums or at all, or that it will provide sufficient coverage for losses related to these or other risks and hazards.

If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value or tenure of the Company's assets may be at risk or both.

2.12 General Economic Climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on opening costs, commodity prices and stock market prices. The Company's future revenues and Share price may be affected by these factors, as well as by fluctuations in the price of gold, nickel or other minerals, which are beyond the Company's control.

2.13 Commodity price fluctuations

The Company is seeking to develop projects which will be reliant on the prices of various commodities including uranium, copper, gold, manganese and iron. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

2.14 New Project Risk

As part of its business strategy, the Company may make acquisitions of or significant investments in other resource projects. Projects may be located in Australia or overseas. Should a suitable new business opportunity be identified, it will then need to be assessed for its technical, legal and commercial suitability. The Directors intend to consider whether there is a favourable risk-reward equation and whether an asset or project has quality management in place or has the ability to attract such management. There is no guarantee that any proposed acquisition of a new business or project will be completed or will be successful. Identification of a business or a project can take considerable time and consume significant cash resources.

2.15 Sharemarket Conditions

The market price of the Company's Securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

2.16 Environment Risks

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

2.17 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Offer Document. Therefore, the Securities offered pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital of the market value of the Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

2.18 Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

2.19 Government policy changes

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of the Company and may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and exploration, development and mining activities of the Company.

At present the Company is not aware of any reviews or changes that would affect its projects. However, changes in community attitudes on matters such as taxation, competition policy, environment and indigenous lands right issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's exploration plans or its rights and obligations in respect of its tenements. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

2.20 Reliance on and availability of key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors. While the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

2.21 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

2.22 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

DEFINED TERMS

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Closing Date means 5.00pm WST on 11 December 2015.

Company means Eclipse Metals Limited (ACN 142 366 541).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia or New Zealand or who are otherwise eligible to take up the Offer.

Entitlement means the entitlement to subscribe for New Shares under this Offer, and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Ineligible Shareholder means a Shareholder who does not satisfy the criteria of an Eligible Shareholder.

Listing Rules means the Listing Rules of the ASX.

New Share means a new Share proposed to be issued pursuant to this Offer.

Nominee has the meaning given in section 1.11.

Nominee Shares has the meaning given in section 1.11.

Offer means the offer of Securities offered under this Offer Document.

Offer Document means this Offer Document dated 04 November 2015.

Opening Date means 13 November 2015.

Option means an option to acquire a Share in the capital of the Company.

Record Date means 5.00 pm WST on 10 November 2015.

Securities means the New Shares offered under this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shortfall Shares or Shortfall means those Securities under the Offer not applied for by Shareholders under their Entitlement.

Shareholder means a holder of Shares.

WST means Australian Western Standard Time.

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LODGEMENT INSTRUCTIONS

CHEQUE / MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the 11 December 2015.

PAYMENT INFORMATION



Billers code: 159483

BPAY® this payment via internet or phone banking.
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
 2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
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ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email: registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

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