
Quarterly Activities Report and Appendix 5B

For the Quarter ending 31st December 2015

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

HIGHLIGHTS:

Exploration

- Liverpool Uranium Project tenements - further historical technical data review following progress with Native Title negotiations with the NLC.
- Secured additional tenement application - ELA30165 to complete a contiguous block of Liverpool Uranium project tenements in West Arnhem Land.

Corporate

- Completion of the Non-Renounceable Rights Issue, with strong support.
- Appointment of Non-Executive Director

EXPLORATION ACTIVITIES

Liverpool Uranium Project (ELA's 26193, 26244, 27584, 27549 and 30165)

During the quarter the company further reviewed the historical data from Uranerz and Cameco over the Liverpool Uranium Project tenements. This work followed a successful meeting with the Northern Land Council (NLC) on behalf of the Traditional Landowners on the 17th September 2015 seeking approval for exploration and potential mining over ELA's 27584 and 26244.

The Liverpool Uranium Project, is situated in the world-class Alligator Rivers Uranium Field in West Arnhem Land, some 35km south east of the historic Nabarlek Uranium mine. ELA's 26193, 26244, 27549, 27584, and 30165 contain numerous significant radiometric anomalies (refer Figure 2) and also hosts the Devil's Elbow Prospect, where previous workers have identified high grade uranium and precious metal anomalism (maximum assays 5.8% U₃O₈, 38ppm Au, 28ppm Pd) in surface and trench samples (refer Figure 3).

On 27 November 2015, the Directors of Eclipse Metals Limited announced acceptance by the Northern Territory Department of Mines & Energy of their application for ELA30165 located between the Devil's Elbow uranium-gold-palladium prospect within ELA27584 and ELA's 26193 and 26244 - see Figure 1.

The new application area of 228 km² completes a contiguous block of exploration tenure for Eclipse in the area. Eclipse now has 1,467 km² under tenement application in its Liverpool Uranium Project in West Arnhem Land. - see Figure 3.

Historical literature assessment over ELA30165 indicates that prospectivity for uranium mineralisation is high. The uranium prospective Ranger Fault is interpreted to traverse the three main tenement applications and to intersect several northeast and north trending faults prospective for accumulations of mineralisation.

Further review of historical data has indicated that a projected target zone to the west of Devil's Elbow has not been completely tested by limited historical drilling and remains a potentially significant target for further exploration.

Review of historical activity data on this tenemented area is ongoing and will be reported in due course.

Background: The Liverpool Uranium project lies approximately 285km east of Darwin, hosted within the world class Alligator Rivers Uranium Field. The Devil's Elbow Prospect is situated approximately 24km east-southeast of Cameco's Caramel Uranium resource; 41km southeast of the completed Nabarlek Uranium Mine which produced 12,000 tonnes of uranium oxide in 1979 and some 68 km east of the significant Ranger Uranium Mine operated by ERA since 1980.

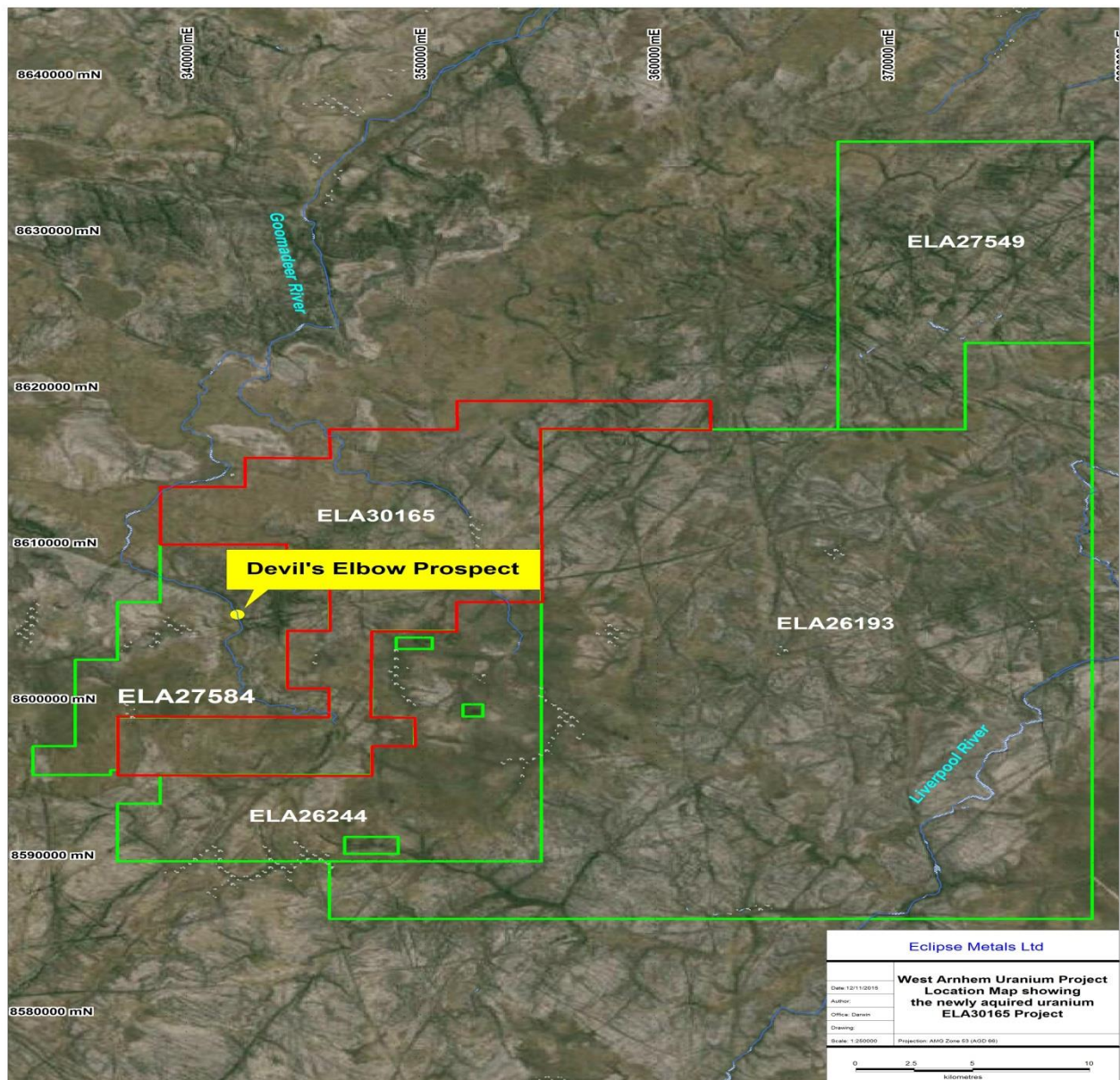


Figure 1: Tenement Map of Liverpool Project area showing location of ELA 30165 (red outline) completes contiguous block of tenement applications (green).

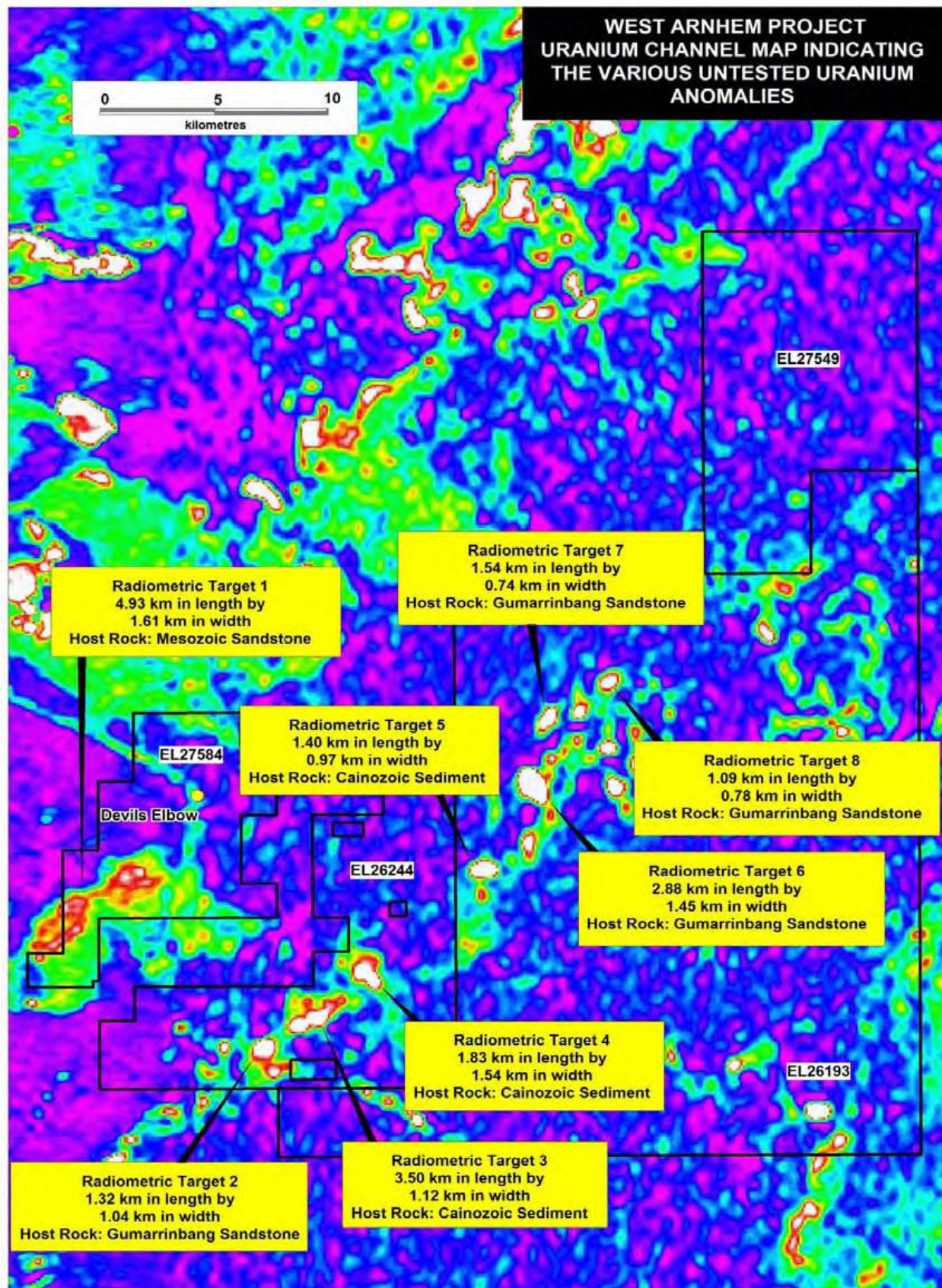


Figure 2: Uranium channel map indicating various untested uranium anomalies and anomalism at the Devil's Elbow Prospect in ELA 27584 and extending into ELA 30165.

Interest in Granted Mining tenements at the end of the quarter

Exploration Licences Application at the end of the quarter

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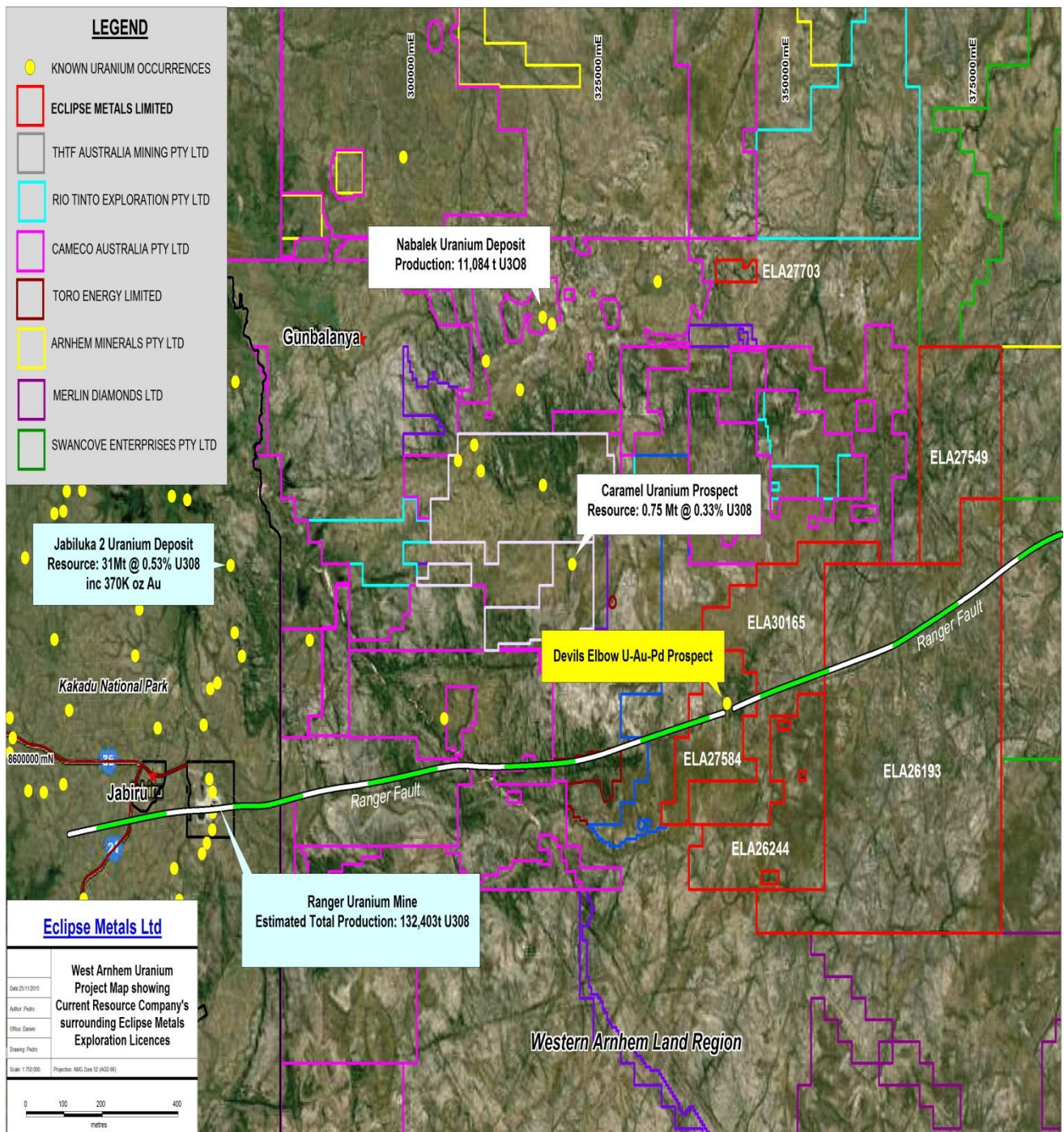


Figure 3: Tenement Map of Liverpool Project showing location of the titles negotiated with the Traditional Landowners plus surrounding major exploration companies

CORPORATE ACTIVITY

Non-Renounceable Rights Issue completion:

During the Quarter the Board resolved to proceed with a Non-Renounceable Rights Issue, which offered one (1) New Share for every two (2) Shares held at an application price of 0.3 cents per Share to raise a total of \$970,660 (before expenses) with a record date of 11 November 2015.

On 16th December, the Company announced the closure of the Non-Renounceable Rights Issue which was strongly supported by the shareholders.

The number of new Ordinary Shares subscribed for by Entitlement Application Holders was 165,860,123 of the total available under the Offer, raising \$497,580.46 before costs with Shareholders taking up to 51% of the Rights Issue. In addition, Shareholders also took up 3,500,000 Ordinary Shares as additional applications in accordance with the terms of the Rights Issue, which has been approved by the Company.

The company received strong interest from various independent third parties to subscribe for 157,673,289 Shares as shortfall shares under the Offer Document terms. The Company proceeded to place a portion of these Shares during December 2015.

Board Change:

On the 8th October 2015, the Board appointed a new non-executive director - Mr Craig Hall, a geologist with nearly 30 years of minerals industry experience in exploration, development and production roles in a range of commodities, principally precious and base metals. He graduated from the University of Western Australia with a Bachelor of Science Degree with Honours in Geology and is a Member of AusIMM, AIG and Geological Society of Australia.

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The information in this report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Mr Rodney Dale, a Non-Executive Director of Eclipse Metals Limited. Mr Dale is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.