

## Activities Report and Appendix 5B for the March 2019 Quarter

### HIGHLIGHTS

- **Multi-branch paleochannel feature identified from gravity survey within EL24808**
- **Obvious target for associated uranium and potential vanadium mineralisation**
- **Four new EL applications (totalling 2360 km<sup>2</sup>) within the Ngalia Basin accepted, where previous explorers outlined 400 linear km of Tertiary-age paleochannel system.**
- **Previous explorers discovered anomalous uranium values while drilling a 15km long section of paleochannel at the “Afghan Swan” prospect.**
- **New applications are contiguous with four earlier applications (totalling 2998 km<sup>2</sup>) by the Company - Eclipse now holds rights to a dominant exploration position over the uranium-prospective and under-explored central portion of the Ngalia Basin.**
- **Analysis of all previous exploration results on new applications is ongoing.**
- **Rehabilitation works undertaken on Amamoor manganese project**

During the quarter the Company primarily focused on development within its Northern Territory uranium tenements. Field work at Mary Valley has been suspended during the wet season in south-east Queensland where rehabilitation has protected the Amamoor area from serious erosion during rain periods.

### NORTHERN TERRITORY: URANIUM TENEMENTS (refer Figures 3 and 4)

#### EL 24808 (Granted) Exploration

On 11 January 2019, the Company announced positive progress on the gravimetric survey that commenced in late 2018 over the 85 km<sup>2</sup> EL24808. Nearly 1,300 gravity stations were recorded on an initial 400 m x 100 m grid, with an area of interest measuring 6 km x 2 km infilled to 200 m x 100 m spacing. Results from this survey were released to the market on the 7th March 2019, with additional information discussed post-quarter end on the 12th April 2019.

The survey was intended to identify targets for uranium mineralisation, including possible paleochannels, along the northern side of the Ngalia Basin in proximity to identified uranium and vanadium mineralisation within the Bigryli Project held by Energy Metals Ltd.

These releases highlighted features consistent with paleochannels (refer Figures 1, 2), within the Company’s tenure. The Company is highly encouraged by the interpretation of a basement-incised multi-branch channel feature of some seven kilometres length, central to the tenement, which presents an obvious target for associated uranium and potentially vanadium mineralisation.

The Company is planning five (5) lines of follow-up passive seismic collection to gain a better understanding of the profile of the channel. The Company intends to accurately outline the complete paleochannel system for drill targeting at interpreted points of confluence for potentially high-grade uranium and associated-vanadium mineralisation.

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

#### BOARD

Rodney Dale  
Non-Executive Chairman

Carl Popal  
Non-Executive Director

Ibrar Idrees  
Non-Executive Director

**COMPANY SECRETARY**  
Eryn Kestel

#### PRINCIPAL PLACE OF BUSINESS

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West Perth WA 6005  
Phone: + 61 8 9480 0420  
Fax: + 61 8 9321 0320

#### AUSTRALIAN BUSINESS NUMBER

85 142 366 541

#### SHARE REGISTRY

Security Transfer Registrars  
770 Canning Highway  
Applecross WA 6153

#### ASX CODE

EPM

#### WEBSITE

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

The Company considers the depth to target is likely in the order of 60-150m from experience elsewhere, and also considers that such targets can be suitable for in-situ recovery (ISR) methodologies. Eclipse is in the process of collecting all historical data on the new applications, systematically reviewing the potential for uranium targets in its Ngalia tenure and will progressively release updates of this data.

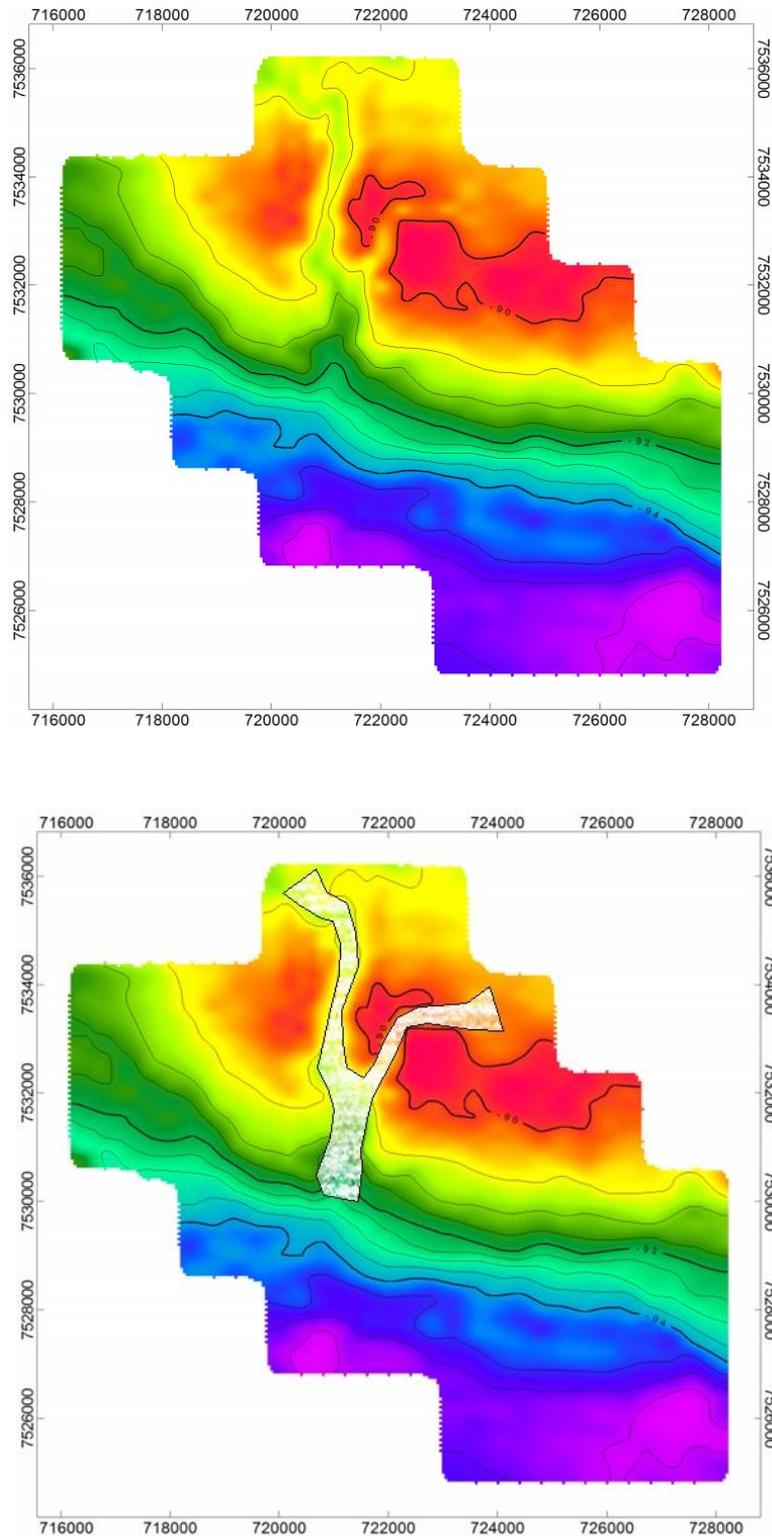


Figure 1: Gravity contours in mgal over EL24808, modelled with basement at a nominal density of 2.67; with interpreted paleochannel features highlighted in second image.

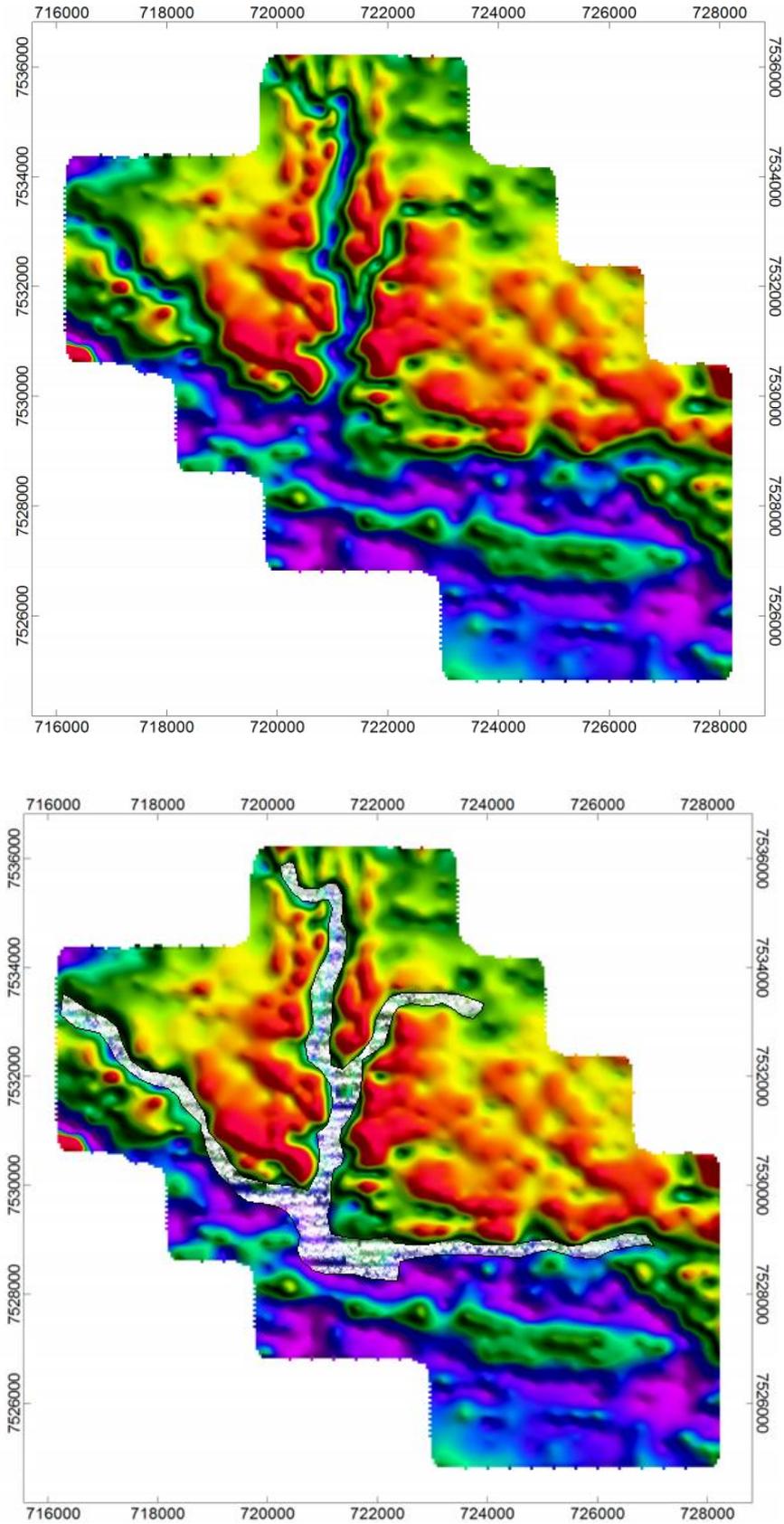


Figure 2: First Vertical Derivative (vertical rate of change) Gravity contours in mgal over EL24808, modelled with basement at a nominal density of 2.67; with interpreted paleochannel features highlighted in second image- note additional multi-branch elements to interpretation in Figure 1.

Encouraged by this development within EL24808, Eclipse has applied for four new EL's (ELA's 32077-080) over the northern-central half of the Ngalia Basin, where previous explorers had outlined 400km of Tertiary-age paleochannel system, and discovered anomalous uranium values while drilling a 15km long section of channel at the "Afghan Swan" prospect. These new applications are contiguous with four earlier applications by the Company (ELA's 31499-502) from February 2017 over the southern half of the Ngalia Basin. Eclipse now holds a dominant exploration position over the uranium-rich and under-explored central portion of the Ngalia Basin (refer Figure 4).

#### **Discussion of Ngalia Basin Potential:**

Australia's sandstone-hosted uranium deposits occur in sedimentary basins of Carboniferous, Cretaceous and Tertiary age; these include some of Australia's largest and highest grade uranium deposits. The conventional model for sandstone-hosted uranium deposits has proved robust and predictive leading to the discovery of many deposits in Australia. Typically, Tertiary palaeochannels host the greatest number of deposits and include the largest and highest grade deposits. Australia's production of uranium from sandstone-hosted deposits is currently limited to two in-situ leach (ISR) operations in South Australia.

Australia remains highly prospective for the discovery of new palaeochannel hosted uranium deposits, with geophysical surveys of great assistance in continuing to define palaeochannel systems that may host leachable uranium mineralisation in basins draining uranium-rich source rocks - such as the Ngalia Basin, in which already several significant uranium deposits have already been outlined.

In 2010, Thundelarra Exploration (ASX:THX) outlined a maiden paleochannel discovery within the Ngalia Basin at its Afghan Swan prospect (ASX:THX 28th October 2010). After processing and interpretation of geological and geophysical data THX identified an ancient paleochannel system within the Lower Tertiary sequence, which it considered prospective for uranium mineralisation.

Subsequent drilling programs during 2010-12 intersected significant uranium mineralisation extending over about 15 kilometres of the paleochannel system at the Afghan Swan prospect, at depths of between 100-180m. THX drilled a total of 155 holes for 20,844 metres to test the area, concluding uranium mineralisation was typically restricted to the paleochannel. This prospect is the only part of the extensive paleochannel system within the Ngalia Basin Project area to be effectively drill-tested so far. THX noted the underlying Mt Eclipse Sandstone was clearly an excellent source rock for Tertiary reworking, hosting uranium in a highly leachable form – typically uraninite in porous rocks.

#### **EL Applications**

Application for EL's 31499-31502 are currently scheduled by the Central Land Council (CLC) for discussions with Traditional Owners in early July 2019.

Eclipse Metals also holds five exploration licence applications forming its Liverpool Project in the Western Arnhem Land region (refer Figures 3, 5). The Company's Liverpool group of tenements, located 285km east of Darwin along the Ranger Fault, contains the Devil's Elbow prospect hosted in the world class Alligator Rivers Uranium Field. Previous exploration of the Devil's Elbow uranium-gold-palladium prospect located within ELA 27584 has 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 28.0 g/t Pd related to fractures in altered amygdaloidal basalt of the Nungbalgarri Volcanics (refer ASX:EPM announcements 9<sup>th</sup> February 2015 and 3<sup>rd</sup> March 2015).

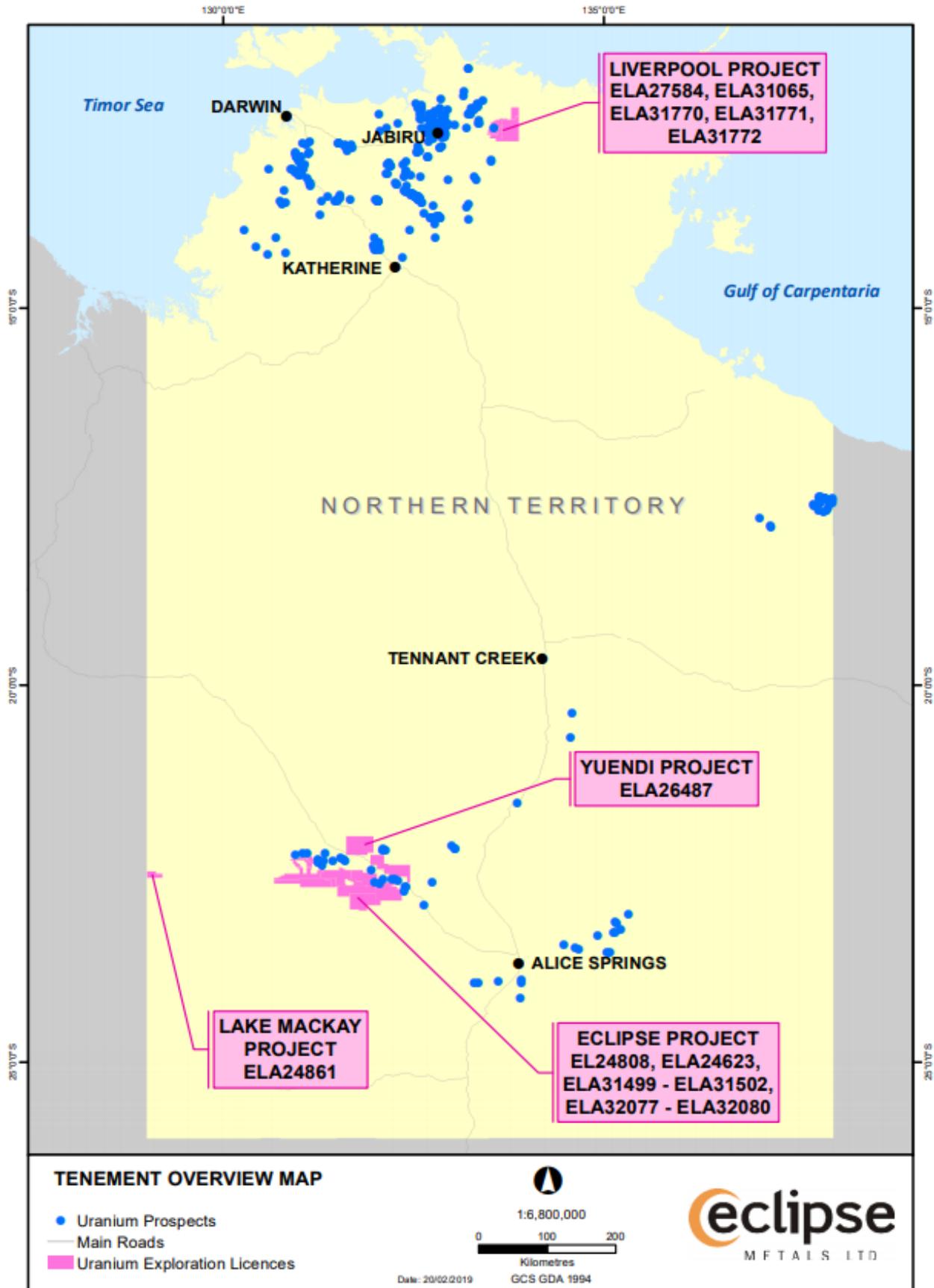


Figure 3: Eclipse Tenements Overview- Northern Territory

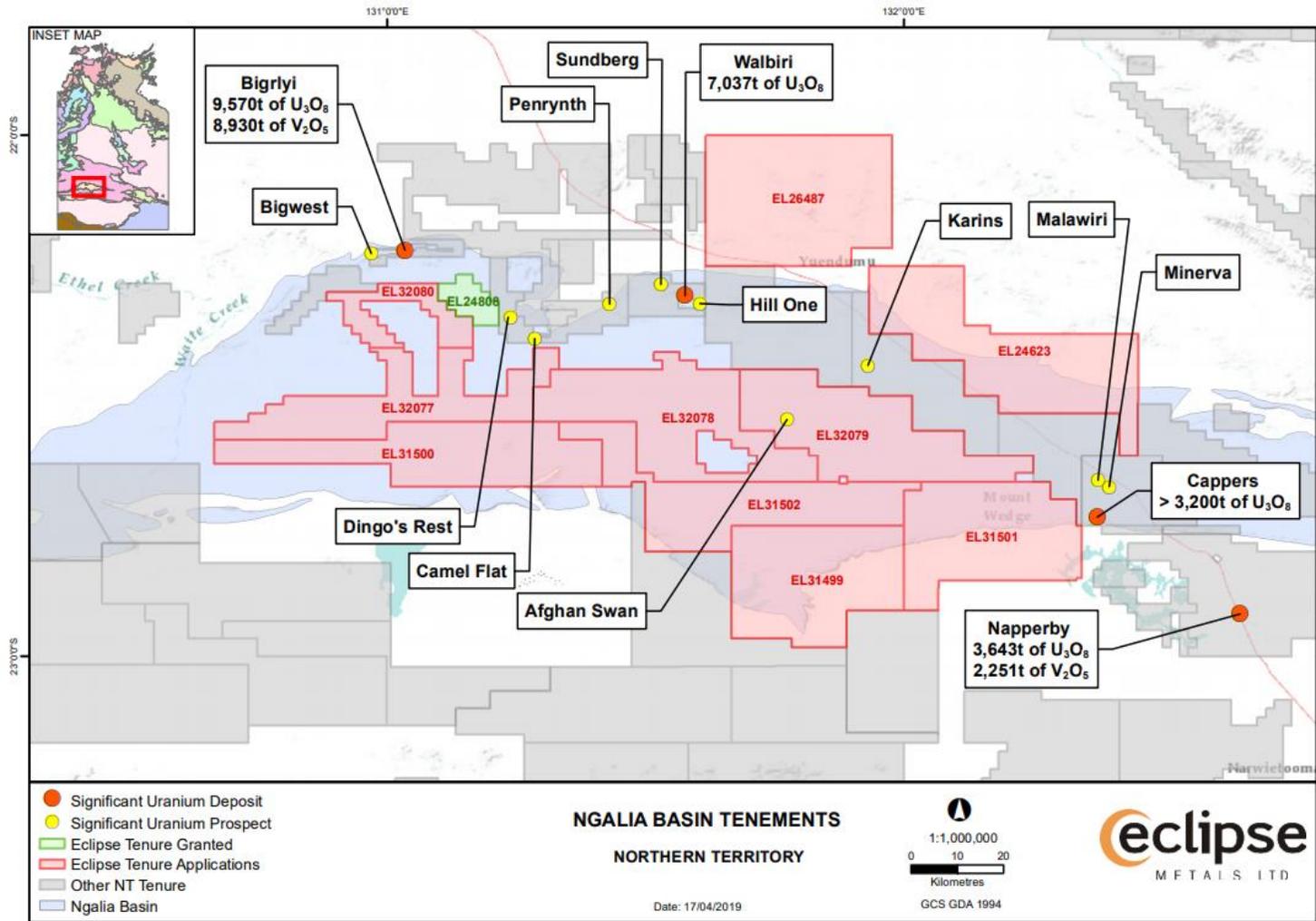


Figure 4: Eclipse Tenure- Ngalia Basin, NT, with significant Uranium prospects and deposits

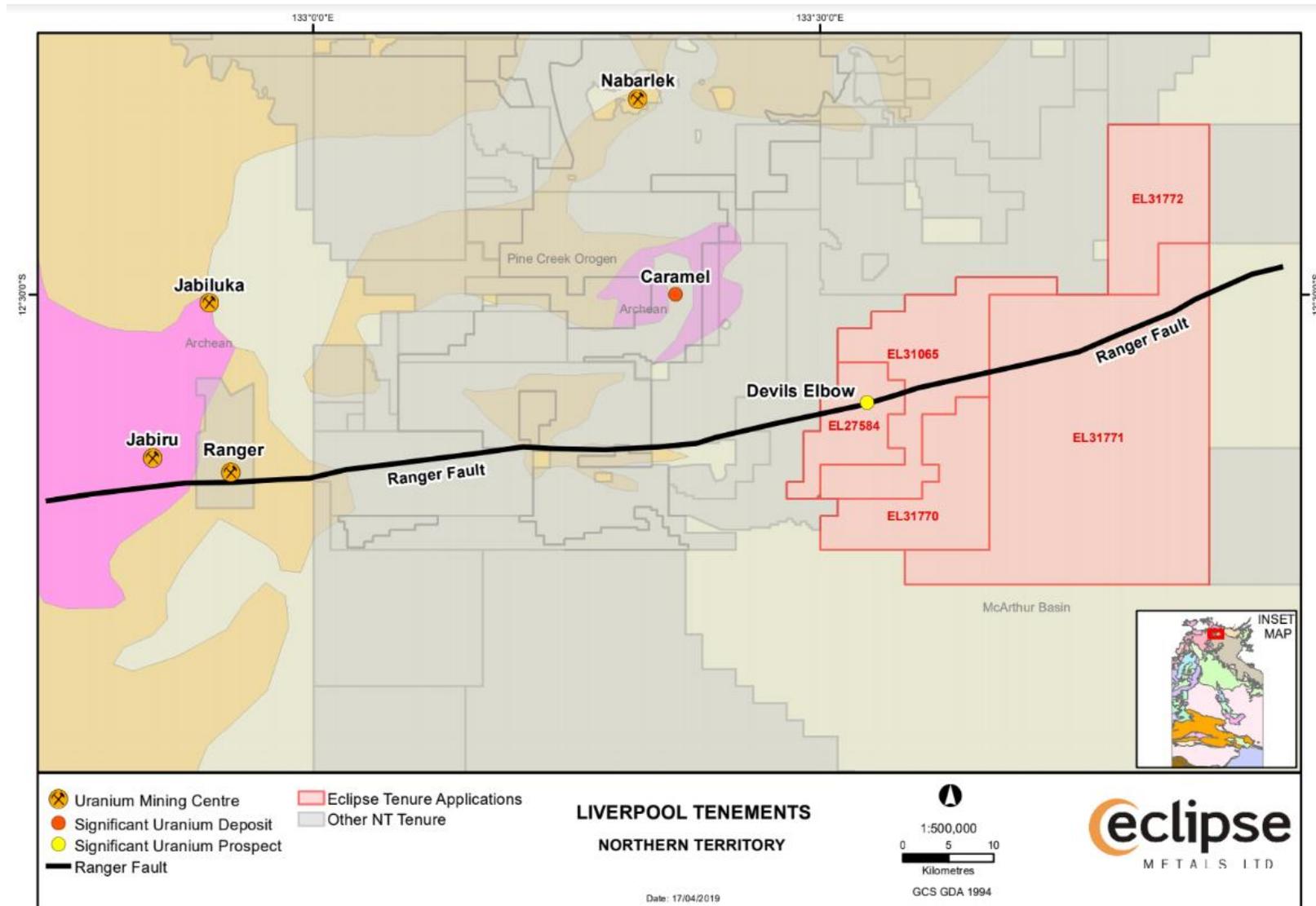


Figure 5: Eclipse Tenure- Liverpool Project, NT, with significant Uranium prospects and deposits

The Company is engaged in discussions with the Northern Land Council in relation to scheduling native title meetings with the Traditional Land Owners over the Liverpool Uranium project tenements. Field activity at Devil's Elbow will focus on uranium, gold and palladium mineralisation, immediately upon grant to access. The Company is hopeful that it can gain access during the upcoming field season.

### **Uranium Outlook**

Despite the recent opaque nature of the uranium spot market price, demand for yellowcake overall is predicted to increase due to the large number of new nuclear power reactors currently being constructed and under expansion around the world. More countries are expanding into nuclear power as a clean energy source. Eclipse is well positioned to progress in the uranium exploration sector as it holds a highly prospective tenement portfolio in the Northern Territory, with particular emphasis on the encouraging high grade results from the Devil's Elbow prospect.

*The information in this report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Mr Craig Hall, a consultant to Eclipse Metals Limited. Mr Hall is a Member of the Australian Inst 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.*

**Addendum - ECLIPSE METALS TENEMENT INTERESTS ASX -Listing Rule 5.3.3.**

Mining tenements held at the end of the quarter and their locations are listed below. No granted tenement interests were earned into or farmed out.

**Granted Tenements**

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
EL 24808	Bigryli	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EPM 17672	Mary Valley	Manganese	Granted	Qld	Walla Mines Pty Ltd <sup>1</sup>	100	7
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd <sup>1</sup>	100	4
EPM 25698	West Mary Valley	Manganese	Granted	Qld	Eclipse Metals Ltd	100	5

**Tenement Applications**

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
ELA 24623	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	100	305
ELA 24861	Lake Mackay	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 26487	Yuendi	Cu, Uranium	Application	NT	Whitvista Pty Ltd <sup>2</sup>	100	320
ELA 27584	Devil's Elbow	Uranium	Application	NT	North Minerals Pty Ltd <sup>3</sup>	100	30
ELA 27703	Gumadeer	Uranium	Application	NT	North Minerals Pty Ltd <sup>3</sup>	100	3
ELA 31065	Liverpool 1	Uranium	Application	NT	Eclipse Metals Ltd	100	68
ELA 31499	Ngalia 1	Uranium	Application	NT	Eclipse Metals Ltd	100	249
ELA 31500	Ngalia 2	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31501	Ngalia 3	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31502	Ngalia 4	Uranium	Application	NT	Eclipse Metals Ltd	100	226
ELA 31770	Liverpool 2	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 31771	Liverpool 3	Uranium	Application	NT	Eclipse Metals Ltd	100	240
ELA 31772	Liverpool 4	Uranium	Application	NT	Eclipse Metals Ltd	100	51
ELA 32077	Ngalia 5	Uranium	Application	NT	Eclipse Metals Ltd	100	249
ELA 32078	Ngalia 6	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 32079	Ngalia 7	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 32080	Ngalia 8	Uranium	Application	NT	Eclipse Metals Ltd	100	226

<sup>1</sup> Walla Mines Pty Ltd is a subsidiary of Eclipse Metals Ltd

<sup>2</sup> Whistvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

<sup>3</sup> North Minerals Pty Ltd is a subsidiary of Eclipse Metals Ltd

**Mining Tenements Disposed during the March 2019 Quarter**

Nil

**Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the March 2019 Quarter**

Nil

**Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the March 2019 Quarter**

Nil

## 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, 01/05/13, 01/09/16

**Name of entity**

ECLIPSE METALS LIMITED

**ABN**

85 142 366 541

**Quarter ended ("current quarter")**

March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(57)	(119)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(73)	(228)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	58	58
1.8 Other (BAS Refund)	8	19
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(64)</b>	<b>(270)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	481	687
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(64)	(270)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>417</b>	<b>417</b>

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

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	417	481
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>417</b>	<b>481</b>

**6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	16
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

**Director fees****7. Payments to related entities of the entity and their associates**

	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Exploration and evaluation	50
9.2	Development	-
9.3	Production	-
9.4	Staff costs	16
9.5	Administration and corporate costs	60
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>126</b>

<b>10.</b>	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....

**Carl Popal**  
Director

Date: 30 April 2019

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.