

30 October 2020

Quarterly Activities Report and Appendix 5B for the Quarter ending 30 September 2020

- **EL27584, Devil's Elbow, initial field exploration and logistic assessment**
- **Landmark decision with Traditional Land Owners over ELA's 31065 and 31770**
- **Planning for field exploration progressing. Historical exploration data being collated and assessed for planning further exploration**
- **Drill rigs being sourced for Ngalia Basin exploration**
- **Diamond drilling program completed at Amamoor manganese**
- **Further Manganese mineralisation confirmed at Amamoor**

NORTHERN TERRITORY – DEVIL'S ELBOW (Refer Map Figure 1)

Exploration licence 27584 covering the Devil's Elbow uranium, gold, palladium prospect in the Northern Territory was granted on 29 May 2020 by the Department of Primary Industry and Resources to North Minerals Pty Ltd (wholly owned subsidiary of Eclipse).

Uranium, palladium and gold mineralisation in this project area was discovered and first explored by Uranerz Australia. Subsequently the Devil's Elbow was further explored, mainly to the north of Ranger Fault, by Cameco Australia between 2002 and 2008.

An initial helicopter borne reconnaissance visit was conducted in July to make a preliminary assessment of access and logistic requirements. Planning is now in process for field exploration after the NT wet season.

With increasing interest and value in precious and platinum group metals, plus positive moves in the price and demand for U3O8, our ability to explore the Devil's Elbow tenement is timely.

The Eclipse exploration program will focus on the area around the Devil's Elbow, Terrace and Ferricrete uranium prospects, concentrating on areas of high priority defined by historical geochemical and radiometric anomalies centrally within EL27584 and relatively unexplored ground south of the Ranger Fault.

Filtering of all available geophysical data over the tenement and surrounds is progressing in an effort to better understand the geophysical, structural and geological context of high-grade U, Au and Pd assays. Results to date are a substantial leap forward for the Devil's Elbow prospects and have enabled Eclipse to define and rank 17 drill target zones based on integration of all geophysical products generated.

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

Carl Popal
Executive Chairman

Rod Dale
Non-Executive Director

Pedro Kastellorizos
Non-Executive director

Ibrar Idress
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The Devil's Elbow prospects have strong similarities with the Jabiluka uranium and gold mine which was discovered in 1971 following-up a low order anomaly from a ground radiometric survey. Jabiluka is located 20km to the north of the Ranger uranium mine, about 75km to the west of Devil's Elbow. The uranium and gold mineralization occurs in an altered member of the Cahill Formation, proximal to reverse faulting structures with similarities to the Devil's Elbow prospect.

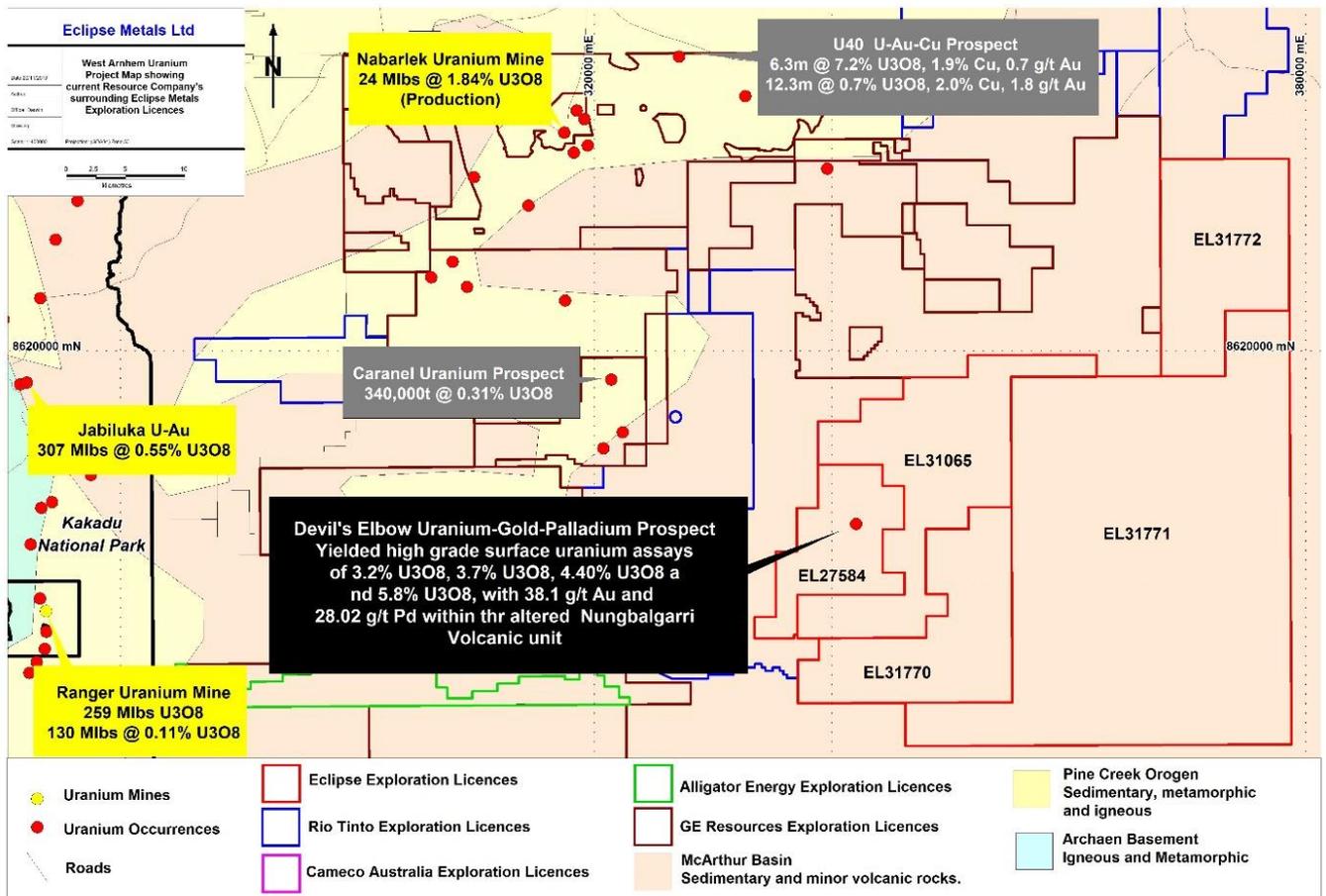


Figure 1. Liverpool Project, Eclipse and North Minerals Pty Ltd EL applications.

Refer to ASX Announcements: **30 July 2020**: Another Landmark Decision with Traditional Landowners; **22 August 2016**: Rio Tinto & Eclipse Metals Ltd Farm-In Joint Venture and **9th February 2015**: Results from Data Review Devil's Elbow Uranium Prospect;

Additional geological information about the Devil's Elbow project can be viewed on the company's website <http://eclipseuranium.com.au/investors/presentations/>. Historic samples from shallow trenching yielded high-grade uranium, gold and palladium assays including 3.2% U3O8, 3.7% U3O8, 4.40% U3O8 and 5.8% U3O8, with 38.1g/t Au and 28.02g/t Pd, related to fractures within altered amygdaloidal basalt of the Nungbalgarri Volcanics.

Based on earlier assessment of the collated original exploration results, Eclipse has delineated several new electromagnetic/gravity/radiometric targets, untested highly anomalous structural zones and areas to the south of the Ranger Fault which warrant further significant follow-up exploration activity.

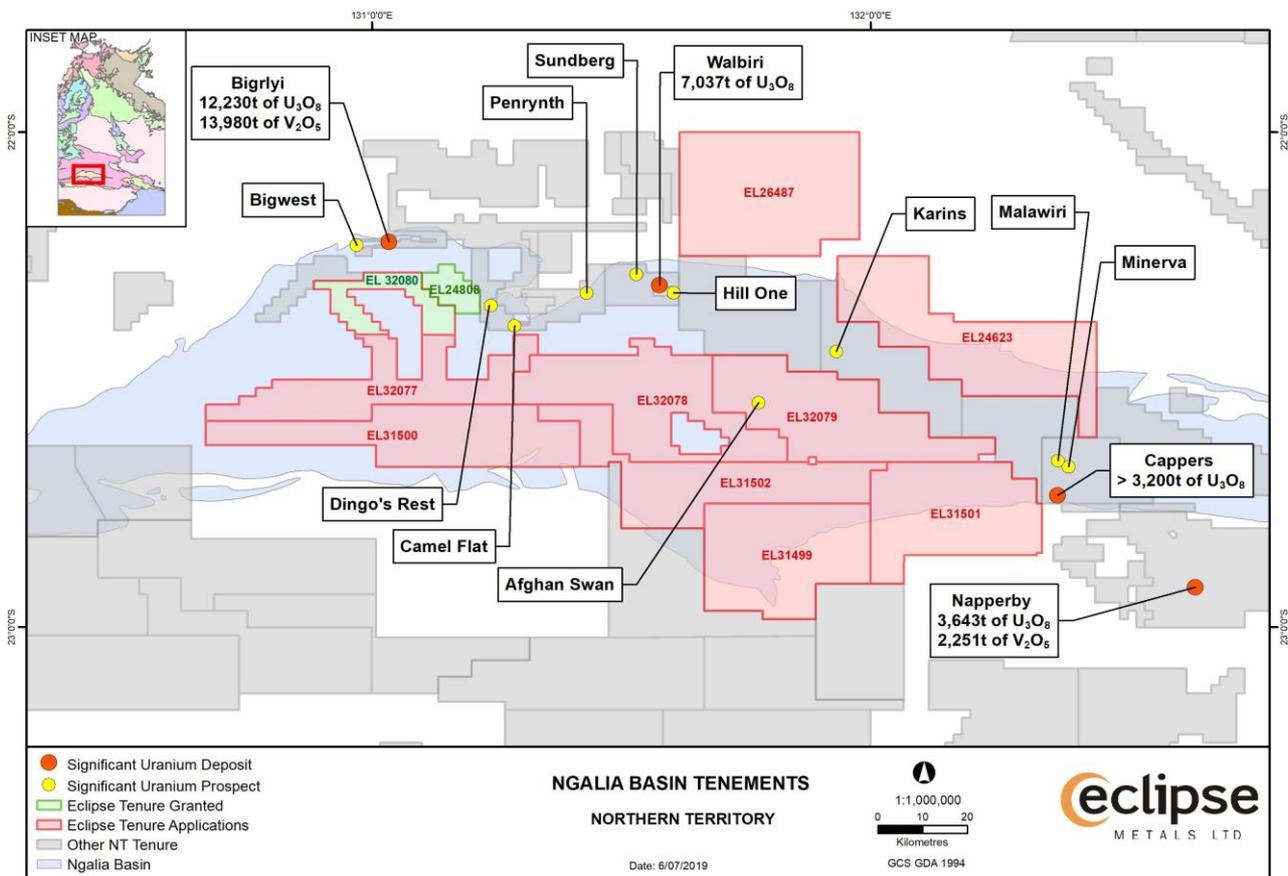


Figure 2. Northern Territory- Ngalia Basin uranium prospects

Refer to ASX announcement: **11 January 2019**: Positive Progress on Gravimetric Survey over EL24808

NT NGALIA BASIN URANIUM PROSPECTS (Refer map, Figure 2)

Eclipse Metals is seeking drilling rigs to conduct initial reconnaissance drilling in EL24808 (Cusack's Bore) and EL32080 (Ngalia North), in the northern part of Ngalia Basin, targeting potentially uranium/vanadium bearing paleochannels indicated from its 2019 geophysical gravity survey over EL24808. Paleochannels from Cusack's Bore appear to extend south into Ngalia North, which will be verified with further gravity or seismic surveys prior to drilling.

The Ngalia Basin notably hosts the Bigrlyi deposit (inferred and indicated resources of 9,570t of U₃O₈ at 1,283 ppm and 8,930t of V₂O₃ averaging 1197 ppm at 500 ppm U₃O₈ cutoff); the Cappers deposit (Inferred Resource 3,200t of U₃O₈, averaging 145 ppm U at 100ppm cutoff) and the Napperby Project (inferred resource of 3,643t of U₃O₈ at 382 ppm U at and 2,251t of V₂O₃ grading 236 ppm at 200 ppm U₃O₈ cutoff)

(<http://eclipseuranium.com.au/wp-content/uploads/2020/10/2020-Annual-Report.pdf>) .

NORTH AND NORTH-EAST NGALIA BASIN (Refer map Figure 2)

The Company is preparing a submission to the NT Department of Primary Industry and Resources and the Central Land Council for consent to grant ELA24623 (Eclipse) and ELA26487 (Yuendi). Once submissions have been reviewed, the Central Land Council will consult with the Traditional Landowners to consider facilitating initial meetings with Eclipse Metals to commence negotiations.

ELA24623 on the north-eastern fringe of the Ngalia Basin is highly prospective for sandstone-type uranium mineralisation.

Application for ELA's 32077, 32078, 32079, 32499, 32500, 32501 and 32502 are progressing through normal channels.

NT NGALIA BASIN BASE METAL PROSPECTS (Refer map Figure 2)

Historical exploration over ELA26487 (Yuendi), on the northern fringe of Ngalia Basin, has indicated anomalous base metals values in the Rock Hill Copper Field, covered by this ELA, which include abandoned mines as well as polymetallic veins. Within this ELA there are 10 copper prospects which remain relatively unexplored. The copper deposits within the Mt Hardy Mineral Field (5.4 km due east from the eastern boundary of ELA 26487) were discovered in 1935, with mineralisation reported within quartz reefs and pegmatite-aplite veins within the Lower Proterozoic schist.

Minerals recognised in the oxidised zone are malachite, azurite and chalcocite, with chalcopyrite predominant in the sulphide zone. Significant copper mineralisation may also be contained within gneiss formations adjacent to these veins. The average width of the mineralised veins from surface is about one metre (max of 30 metres) with an average length of 100 metres (Warren, Steward and Shaw).

Upon granting of these two ELA's, planning will commence for comprehensive exploration programs to include geological mapping, sampling, geophysical surveys and ultimately drilling.

References

R, G. Warren & Steward & R.D. Shaw, 1974, Department of Minerals and Energy, Bureau of Mineral Resources, Geology and Geophysics, Record 1974/107, Summary of Information on Mineral Deposits of the Arunta Complex, Alice Springs Area Northern Territory

QUEENSLAND – MARY VALLEY MANGANESE

A second diamond drilling program has tested for extensions of previously drilled high-grade manganese mineralisation along 160 metres of strike and down dip to 20 metres. Six diamond drill cored holes were completed for a total of 97.6 metres.

Table 1: Collar Table of 2nd Phase Diamond Drilling

Prospect	Hole_ID	East	North	Grid_ID	Azimuth	Inclination	Total Depth
Central	ADD008A	461934	7085978	MGA94_56	247	-58	16.08
Northern	ADD009	461944	7086061	MGA94_56	225	-58	14.02
Northern	ADD010	461922	7086056	MGA94_56	036	-80	14.53
South/Central	ADD011	461967	7085958	MGA94_56	232	-60	9.97
South/Central	ADD012	461963	7085912	MGA94_56	002	-58	21
Central	ADD013	461912	7085964	MGA94_56	065	-60	22

Refer to ASX Announcement: **12 October 2020**: 2nd Phase Drilling completed at Mary Valley all Drill Holes Intersected Manganese Mineralisation and **20 October 2020**: Near Surface Manganese Intersected at Amamoor Manganese Project.

Half-core samples from prospective and mineralised zones from all the drill-holes have been analysed at a laboratory in Brisbane.

Best down-hole intersections widths from the recent drilling program include:-

- ADD008A – 1.5m @ 42.14% MnO from surface
- ADD008A – 1.0m @ 13.26% MnO from 1.5 metres
- ADD008A – 1.0m @ 26.85% MnO from 13.98 metres
- ADD009 – 1.5m @ 11.42% MnO from surface
- ADD010 – 1.0m @ 33.81% MnO from surface
- ADD010 – 1.0m @ 17.99% MnO from 2 metres
- ADD010 – 1.0m @ 12.60% MnO from 4 metres
- ADD012 – 1.5m @ 12.33% MnO from surface
- ADD013 – 1.0m @ 12.02% MnO from surface

These drilling results and geological interpretation based on these and results from the January 2018 drilling indicate that bulk low-grade mining could be utilised for this manganese deposit to provide mill-feed for a beneficiation plant to produce a marketable, high-grade product. (ASX Release 20 October 2020).

CORPORATE

On 1 July 2020, Mr Pedro Kastellorizos was appointed to the Eclipse Board as a Non-Executive Director.

Cash and cash equivalents as of 30 September 2020 was \$828,000

Payments to related parties totalled \$50,000 comprising \$39,000 for Director fees and \$11,000 for consulting services provided.

This ASX release was authorised by the Board of the Company.

Carl Popal Executive Chairman

For further information please contact:

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Non-Executive Director
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Competent Persons Statement

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 and Mr. Pedro Kastellorizos, both Non-Executive directors of Eclipse Metals Limited. Mr. Dale is a Fellow of the Australasian Institute of Mining and Metallurgy (the AusIMM) and Mr Kastellorizos is a Member of the AusIMM; both of whom have 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.

Mr. Dale and Mr. Kastellorizos have verified the data disclosed in this release and consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

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	Cusack's bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	32
EPM 17672	Mary Valley	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	7
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	4
EL27584	Devil's Elbow	Uranium, Gold, Palladium	Granted	NT	North Minerals Pty Ltd ³	100	30

Tenement Applications

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
ELA 24623	Yuendi	Cu, 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 ²	100	320
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	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	195
ELA 32078	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248
ELA 32079	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248

¹ Walla Mines Pty Ltd is a subsidiary of Eclipse Metals Ltd

² Whistvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

³ North Minerals Pty Ltd is a subsidiary of Eclipse Metals Ltd

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Eclipse Metals Limited

ABN

85 142 366 541

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(45)	(45)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(50)	(50)
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 Government grants and tax incentives		
1.8 Other (RnD Refund & deposit refund)	14	14
1.9 Net cash from / (used in) operating activities	(81)	(81)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	(52)	(52)
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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)		
2.6	Net cash from / (used in) investing activities	(52)	(52)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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)		
3.10	Net cash from / (used in) financing activities		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	962	962
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(81)	(81)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(52)	(52)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	828	828

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	828	828
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	828	828

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 **	50
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

** Item 6.1 includes aggregate amounts of \$39,000 which relate to Directors' fees and \$11,000 which relates to fees for consulting services provided by Directors.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	81
8.2 Capitalised exploration & evaluation (Item 2.1(d))	52
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	133
8.4 Cash and cash equivalents at quarter end (Item 4.6)	828
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	828
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6.23
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not Applicable	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not Applicable	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not Applicable	

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.

Date: 30 October 2020
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Authorised by: **The Board of Directors**
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Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.