

30 September 2014

Quarterly Activities Report and Appendix 5B

For the Quarter ending 30 September 2014

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

EXPLORATION HIGHLIGHTS:

MARY VALLEY MANGANESE

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

MOONFORD IRON

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

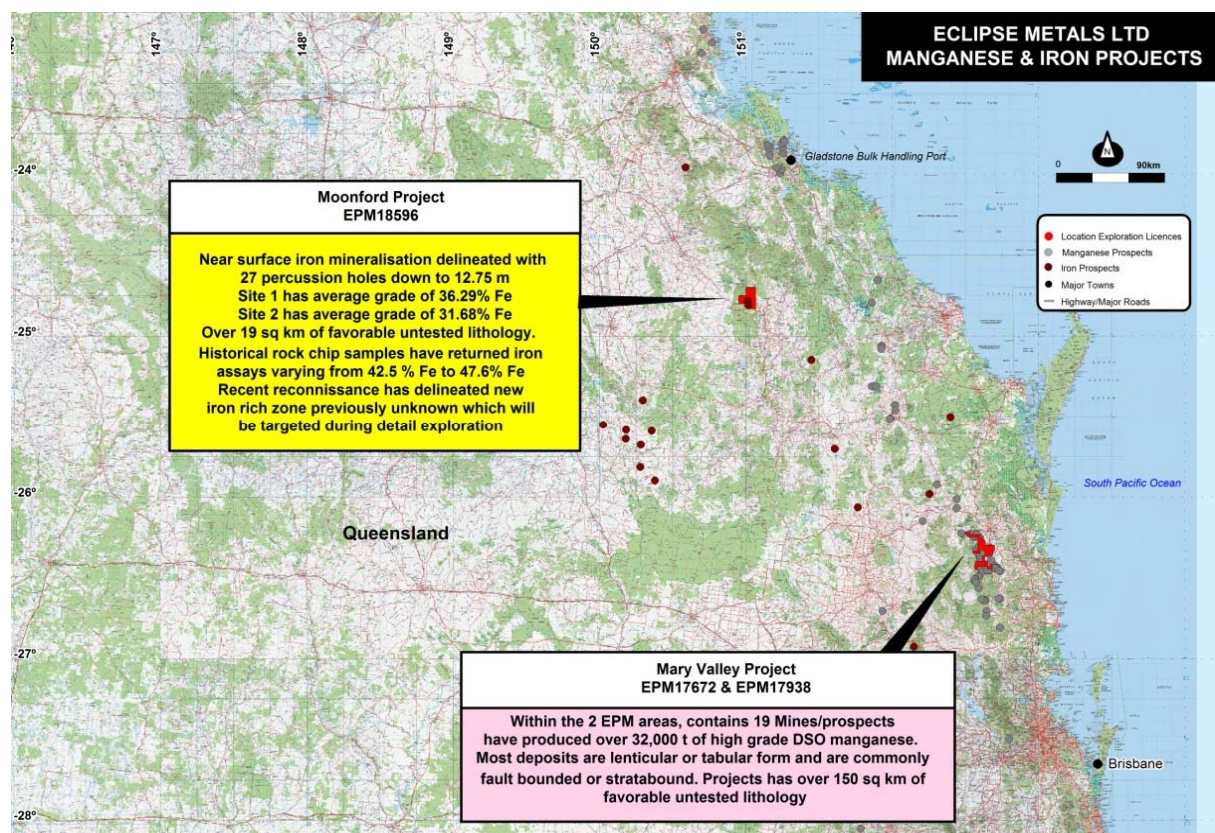
NGALIA BASIN URANIUM NEGOTIATION PROGRESSED WITH CLC

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

EXPLORATION ACTIVITIES

QUEENSLAND PROJECTS:

In July the Company released results from the second phase of a ground exploration programme over the Mary Valley Manganese & Moonford Iron project areas in Queensland summarised below.



Location map showing the Queensland Mary Valley and Moonford projects

MARY VALLEY PROJECT:

The second phase of exploration including geological mapping and surface sampling has defined extensive surface manganese mineralisation in the Mary Valley Manganese Project tenements. Historically, the two exploration permits have yielded over 31,000t of high grade direct shipping ore with assays of 39.5% to 51% Mn from mining operations carried out during the 1920's and 1960's. In the past 50 years little to no geological activity has been recorded over the Mary Valley prospects for manganese.

Field examination concentrated on the southern part of the exploration permits, where previous mining has produced high grade manganese ore. In the Amamoor and Kandanga prospects (*Refer map Figure 1*) it is evident that there are substantial further deposits of high grade, potentially direct shipping ore (DSO) and lower grade beneficiable mineralisation in proximity to the old workings and in strike extensions of known deposits.

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

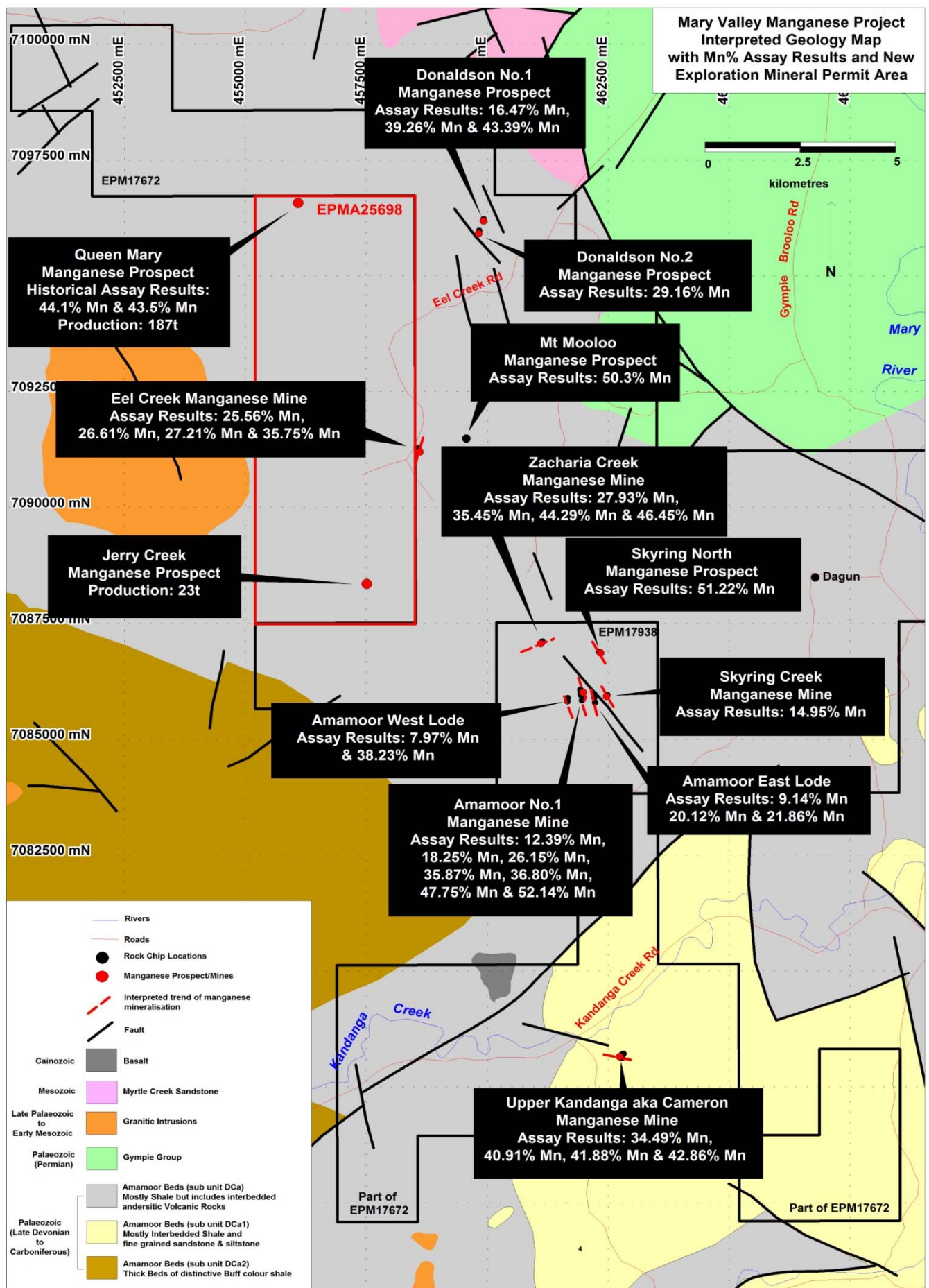


Figure 1: Regional Interpreted Geology Map showing sample locations and Mn%

Tenements Acquired during the Quarter

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

Historically, this area has yielded 210t of high grade direct shipping ore with assays of 43.5% to 44.1% Mn from mining operations carried out from 1908-10 at the Queen Mary and Jerry Creek workings.

Further Exploration

In a proposed third phase of exploration, samples of manganese mineralisation will be collected for petro-physical studies to determine suitable methods for further exploration, including geophysics, to facilitate targeting for a proposed RC drilling programme.

MOONFORD IRON PROJECT

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

The reconnaissance evaluation was successful in identifying that iron grades are reasonably consistent across the project area. Assay results returned iron grades ranging from **42.85% Fe** (PS010) to **53.63%** (PS007).

The oolitic ironstone is an regionally extensive, eroded, flat-lying layer about 5m thick that outcrops in three main areas:- in the northeast of the project area adjacent to Clonmel Road; centrally around Glen Valley Road and in the south of the project area around the Burnett Highway. (*Refer map Figure 2*)

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

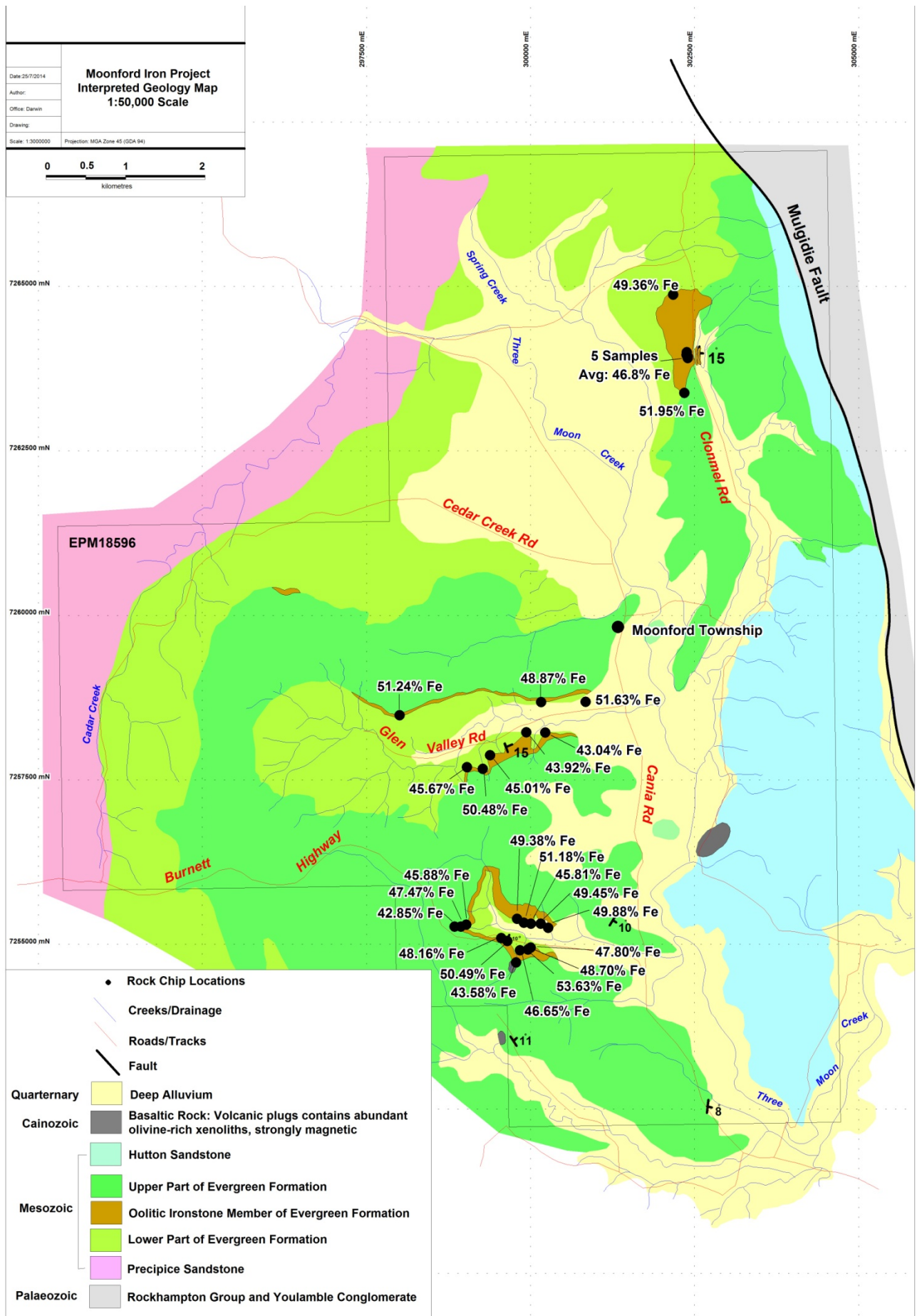


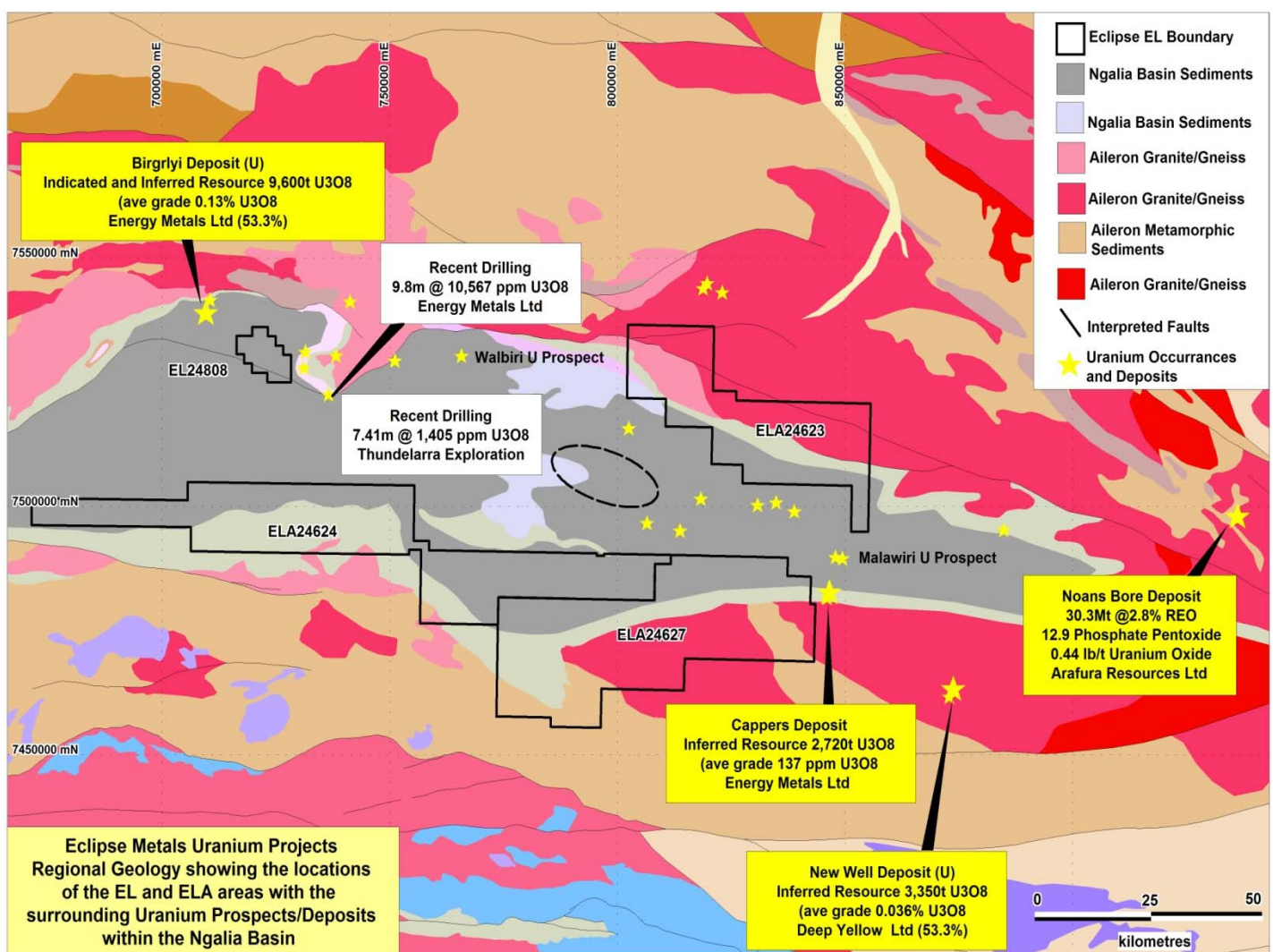
Figure 2: Regional Interpreted Geology Map showing sample locations and Fe%

NGALIA BASIN URANIUM (southern NT)

The first Native Title Meeting between Eclipse Metals Ltd and the Traditional owners were conducted on 20th August 2014 for ELA 24624 and ELA 24627 at Papunya Community north-west of Alice Springs. The purpose of the meeting was to seek approval for uranium exploration over Aboriginal Freehold Land from the Traditional owners through negotiations with the Central Land Council as their legal representatives.

Preliminary feedback from the Traditional Landowners is that approval to conduct uranium exploration can be granted once an Exploration Deed is signed between both parties. Currently the Central Land Council is drafting the agreement based on the agreed terms outlined by the Traditional Landowners. Signing of the exploration agreement is anticipated to be completed during the next quarter.

Eclipse has also extended the negotiating period for ELA 26283, 26284, 26487, 26488, 26489, 26490, 26491, 26492 & 26493 held by subsidiary Whitvista Pty Ltd until 31st October 2015.



TENEMENT INTERESTS AT THE END OF THE QUARTER

Granted Mining tenements

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Area	
						Blk	km ²
EL 27567	Mt Wells	Gold-Base Metals	Granted	NT	Eclipse Metals Pty Ltd	9	29.99
EL 26257	West Batchelor	Iron-Gold-Uranium-Tin	Granted	NT	Eclipse Metals Pty Ltd	123	407.05
EL 24808	Eclipse	Uranium	Granted	NT	Eclipse Metals Pty Ltd	27	85.79
EL 27117	West McArthur	Manganese-Base Metals	Granted	NT	Eclipse Metals Pty Ltd	193	629.84
EPM 17672	Mary Valley	Manganese	Granted	QLD	Eclipse Metals Pty Ltd	54	167.40
EPM 17938	Amamoor	Manganese	Granted	QLD	Eclipse Metals Pty Ltd	4	12.40
EPM 18596	Moonford	Iron	Granted	QLD	Eclipse Metals Pty Ltd	40	124.00
EPM 17938	Amamoor	Manganese	Granted	QLD	Eclipse Metals Pty Ltd	4	12.40
EL 7986	Moss Vale	Bauxite	Granted	NSW	Eclipse Metals Pty Ltd	10	31.00
TOTAL						1,487.41	

Exploration Licences Application

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Area	
						Blk	km ²
ELA 24623	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	305	932.06
ELA 24624	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	476	1,457.58
ELA 24627	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	500	1,518.00
ELA 24861	Lake Mackay	Uranium	Application	NT	Eclipse Metals Ltd	50	158.70
ELA 25666	Mt Poizieres	Uranium	Application	NT	Eclipse Metals Ltd	229	780.60
ELA 26193	Liverpool 1	Uranium	Application	NT	Eclipse Metals Ltd	240	804.40
ELA 26244	Liverpool 2	Uranium	Application	NT	Eclipse Metals Ltd	50	163.30
ELA 26259	South Alligator 1	Uranium	Application	NT	Eclipse Metals Ltd	202	660.70
ELA 26260	South Alligator 2	Uranium	Application	NT	Eclipse Metals Ltd	274	883.30
ELA 26487	Yuendi	Uranium-Copper	Application	NT	Eclipse Metals Ltd	320	1,003.00
ELA 26489	Mackay	Uranium	Application	NT	Eclipse Metals Ltd	157	497.40
ELA 26283	Mt Theo	Uranium	Application	NT	Eclipse Metals Ltd	260	832.70
ELA 26284	Mt Patricia	Uranium	Application	NT	Eclipse Metals Ltd	234	747.80
ELA 26488	Atlee	Uranium	Application	NT	Eclipse Metals Ltd	233	743.50
ELA 26490	Yoolgarri	Uranium	Application	NT	Eclipse Metals Ltd	368	1,156.00
ELA 26491	Chilla Well	Uranium	Application	NT	Eclipse Metals Ltd	325	1,007.00
ELA 26492	Wid Cat Bore	Uranium	Application	NT	Eclipse Metals Ltd	330	1,054.00
ELA 26493	Puyurru	Uranium	Application	NT	Eclipse Metals Ltd	187	598.60
ELA 27130	Flying Fox	Uranium	Application	NT	Eclipse Metals Ltd	482	1,607.98
ELA 27549	Liverpool 3	Uranium	Application	NT	Eclipse Metals Ltd	51	171.07
ELA 27584	Devil's Elbow	Uranium	Application	NT	Eclipse Metals Ltd	30	100.45
ELA 27703	Gumadeer	Uranium	Application	NT	Eclipse Metals Ltd	3	9.53
EPM25698	West Mary Valley	Manganese	Application	QLD	Eclipse Metals Ltd	10	30.01
Total Area						16,917.68	

TENEMENTS RELINQUISHED DURING THE QUARTER

Exploration Mineral Permit Licence No. 17810 in Queensland was relinquished during this period.



Pedro Kastellorizos
Executive Director

For further information please contact:

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Pedro Kastellorizos
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Mr Pedro Kastellorizos is a geologist with over 17 years of experience relevant to the styles of mineralisation under consideration and to the activity which he is undertaking as Executive Director.

Mr Rodney Dale, a Non-Executive Director of Eclipse Metals Limited, 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.

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, 01/05/2013

Name of entity

Eclipse Metals Limited

ABN

85 142 366 541

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(80)	(80)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(62)	(62)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(142)	(142)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (refundable deposit)	-	-
Net investing cash flows		(142)	(142)
1.13	Total operating and investing cash flows (carried forward)	(142)	(142)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(142)	(142)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share issue proceeds of \$60k) ¹	-	-
		60	60
	Net financing cash flows	60	60
	Net increase (decrease) in cash held	(127)	(127)
1.20	Cash at beginning of quarter/year to date	341	341
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	214	214

1. As set out in the Company's Annual Report the underwriter to the Entitlements Issue has transferred 120 million shares to unrelated parties that will make the shares available to future investors and direct the proceeds to the Company. During the quarter, a total of \$60,000 was received by the Company. The Company remains in discussions with a range of potential future investors in relation to the remaining shares to the value of \$66,657.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$52
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	85
Total	135

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	214	341
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	214	341

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EPM 17810	Granted	55.61%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	EPM 25698	Application Licence	0%	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

6.3 Interests in mining tenements at end of the quarter

Location	Project Name	Tenement #	Ownership	Titleholder
Queensland	Mary Valley	EPM 17672	55.61%	Walla Mines Pty Ltd
Queensland	West Mary Valley	EPM 25698	100%	Eclipse Metals Ltd
Queensland	Amamoor	EPM 17938	55.61%	Walla Mines Pty Ltd
Queensland	Moonford	EPM 18596	55.61%	Walla Mines Pty Ltd
New South Wales	Moss Vale	EL 7986	55.61%	Walla Mines Pty Ltd
Northern Territory	Mt Wells	EL 27567	100%	Eclipse Metals Ltd
Northern Territory	Eclipse	EL 24808	100%	Eclipse Metals Ltd
Northern Territory	West Batchelor	EL 26257	100%	Eclipse Metals Ltd
Northern Territory	West McArthur	EL 27117	55.61%	Walla Mines Pty Ltd
Northern Territory	Eclipse	ELA 24623	100%	Eclipse Metals Ltd
Northern Territory	Eclipse	ELA 24624	100%	Eclipse Metals Ltd
Northern Territory	Eclipse	ELA 24627	100%	Eclipse Metals Ltd
Northern Territory	Lake Mackay	ELA 24861	100%	Eclipse Metals Ltd
Northern Territory	Mt Poizieres	ELA 25666	100%	Eclipse Metals Ltd
Northern Territory	Liverpool 1	ELA 26193	100%	Eclipse Metals Ltd
Northern Territory	Liverpool 2	ELA 26244	100%	Eclipse Metals Ltd
Northern Territory	South Alligator 1	ELA 26259	100%	Eclipse Metals Ltd
Northern Territory	South Alligator 2	ELA 26260	100%	Eclipse Metals Ltd
Northern Territory	Mt Theo	ELA 26283	100%	Eclipse Metals Ltd
Northern Territory	Mt Patricia	ELA 26284	100%	Eclipse Metals Ltd
Northern Territory	Yuendi	ELA 26487	100%	Eclipse Metals Ltd
Northern Territory	Atlee	ELA 26488	100%	Eclipse Metals Ltd
Northern Territory	Mackay	ELA 26489	100%	Eclipse Metals Ltd
Northern Territory	Yoolgarri	ELA 26490	100%	Eclipse Metals Ltd
Northern Territory	Chilla Well	ELA 26491	100%	Eclipse Metals Ltd
Northern Territory	Wild Cat Bore	ELA 26492	100%	Eclipse Metals Ltd
Northern Territory	Puyurru	ELA 26493	100%	Eclipse Metals Ltd
Northern Territory	Flying Fox	ELA 27130	100%	Eclipse Metals Ltd
Northern Territory	Liverpool 3	ELA 27549	100%	Eclipse Metals Ltd
Northern Territory	Devil's Elbow	ELA 27584	100%	Eclipse Metals Ltd
Northern Territory	Gumadeer	ELA 27703	100%	Eclipse Metals Ltd

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)				

Mining exploration entity and oil and gas exploration entity quarterly report

7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	559,856,824	559,856,824		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	150,000 103,023,813	- -	Exercise price 20 cents 6 cents	Expiry date 30/11/15 30/11/16
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

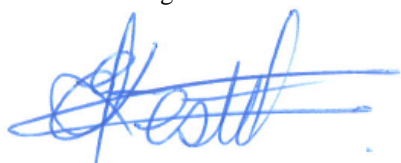
Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Eryn Kestel
Company Secretary

Date: 28 October 2014

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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