



**Eclipse Metals Limited**

**ABN 85 142 366 541**

**and its controlled entities**

**Report for the half-year ended**

**31 December 2016**

## Corporate directory

### Board of Directors

Mr Carl Popal	Executive Director
Mr Rodney Dale	Non-Executive Director
Mr Craig Hall	Non-Executive Director

### Company Secretary

Ms Eryn Kestel

### Registered Office

Level 2 Spectrum, 100 Railway Road  
Subiaco WA 6008  
Tel: +61 8 9367 8133  
Fax: +61 8 9367 8812  
Email: [info@eclipsemetals.com.au](mailto:info@eclipsemetals.com.au)

### Principal Place of Business

Level 3, 1060 Hay Street  
West Perth, Western Australia 6005  
Tel: +61 8 9480 0420  
Fax: +61 8 9321 0320

### Postal Address

PO Box 1395  
West Perth, Western Australia 6872

### Website

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

### Auditors

Stantons International  
Level 2, 1 Walker Avenue  
West Perth, Western Australia 6005

### Share Registry

Security Transfer Registrar  
770 Canning Highway  
Applecross, Western Australia 6153  
Tel: +61 8 9315 2333  
Fax: +61 8 9315 2233

### Securities Exchange

Australian Securities Exchange Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth, Western Australia 6000

### ASX Codes

Shares: EPM  
Options: EPMO

---

## Half year report for the half-year ended 31 December 2016

### Contents

Directors' report.....	3
Independent auditor's review report.....	13
Auditor's independence declaration.....	15
Directors' declaration.....	16
Consolidated statement of profit or loss and other comprehensive income.....	17
Consolidated statement of financial position.....	18
Consolidated statement of changes in equity.....	19
Consolidated statement of cash flows.....	20
Condensed notes to the consolidated financial statements.....	21

## Directors' report

The directors of Eclipse Metals Limited ("the Company") submit herewith the operations and financial report of Eclipse Metals Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2016. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Directors

Mr Carl Popal  
Mr Rodney Dale  
Mr Craig Hall

### Operating Results

The loss for the Group for the half-year ended 31 December 2016, after providing for income tax, amounted to \$199,234 compared with a loss of \$435,189 for the half-year ended 31 December 2015.

### Principal activities

The main focus of the Group was on tenement maintenance, initiating and supporting field exploration and planning for future activities. A geophysical survey on selected Mary Valley manganese prospects was initiated in November 2016. The company is also investigating potential for Joint Venture / Off -take possibilities for manganese products from its Mary Valley project. The Group negotiated and concluded the Rio Tinto Joint Venture Agreement on one of its NT tenements. Several presentations were also made to local brokers and international sophisticated investors which resulted in a capital raising (Refer to subsequent event notes on page 24).

### Corporate

During August 2016, the company entered into a Farm In Joint Venture Agreement with Rio Tinto on ELA 27584.

During November 2016 the company's Chairman Carl Popal presented in the Low Emission and Technology Minerals Conference elaborating on the company's projects.

### Annual General Meeting

The Company held its annual general meeting on 25<sup>th</sup> November 2016 ("AGM"). All resolutions put to shareholders were passed.

### Highlights

- Farm-in / Joint Venture (FIJV) agreement with Rio Tinto signed on 19 August 2016 over one of the Liverpool Uranium Project Tenements held by Eclipse Metals subsidiary North Minerals Pty Ltd.
- Rio Tinto may earn up to a 90% interest in the Liverpool tenements by staged expenditure of \$5 million.
- Eclipse Metals / North Minerals may retain a 25% interest by contributing pro-rata to further costs after Rio Tinto has expended \$3.5 million.
- Under the FIJV Rio Tinto holds a right of first refusal over all the Eclipse uranium prospective tenements in the Northern Territory
- At Mary Valley, the first stage of an advanced geophysical survey was conducted on the manganese project tenements. Based on preliminary results, further surveys are to be conducted early in 2017.

## Liverpool Uranium Project

On 22 August 2016, Eclipse Metals Ltd executed a Farm-In / Joint Venture Agreement (**the Agreement**) with Rio Tinto Exploration Pty Ltd (**Rio Tinto**), a wholly owned subsidiary of Rio Tinto Limited. The Agreement is for Rio Tinto to acquire an interest in part of the Company's Northern Territory Liverpool uranium Project tenements, in the world class Alligator Rivers uranium field on the Ranger fault line. (Figure 1).

The Agreement also provides Rio Tinto with a right of first refusal over the Company's other uranium prospective tenements in Northern Territory.

### Terms of the Agreement

Under the Agreement, Rio Tinto has the right to farm into Exploration License Application 27584, containing the Devil's Elbow prospect (Figure 1). Rio Tinto may earn up to a 90% interest by incurring various levels of expenditure on the key terms outlined below:-

- Rio Tinto must spend a minimum of \$250,000 on exploration from commencement and will separately fund costs associated with the Northern Land Council.
- If Rio Tinto completes \$1.5 million sole-funded exploration within 3 years of execution of the Agreement they will earn an initial 65% joint venture interest (Stage 1).
- Following the acquisition of the initial 65% interest, Rio Tinto may elect to earn a 75% joint venture interest (Stage 2) in the prospect by committing to \$2.0 million sole-funded exploration expenditure within a further 3 year period.
- On Rio Tinto having satisfied its earn-in obligations to acquire a joint venture interest of 75%, Eclipse may elect to contribute to expenditure and maintain a 25% joint venture interest.
- In the event that Eclipse elects not to contribute, then Rio Tinto will sole fund a further \$1.5 million expenditure within 2 years to earn a 90% joint venture interest (Stage 3).
- Upon Rio Tinto earning a 90% interest, Eclipse may elect to maintain a contributing 10% interest or sell its interest to Rio Tinto at Fair Market Value.

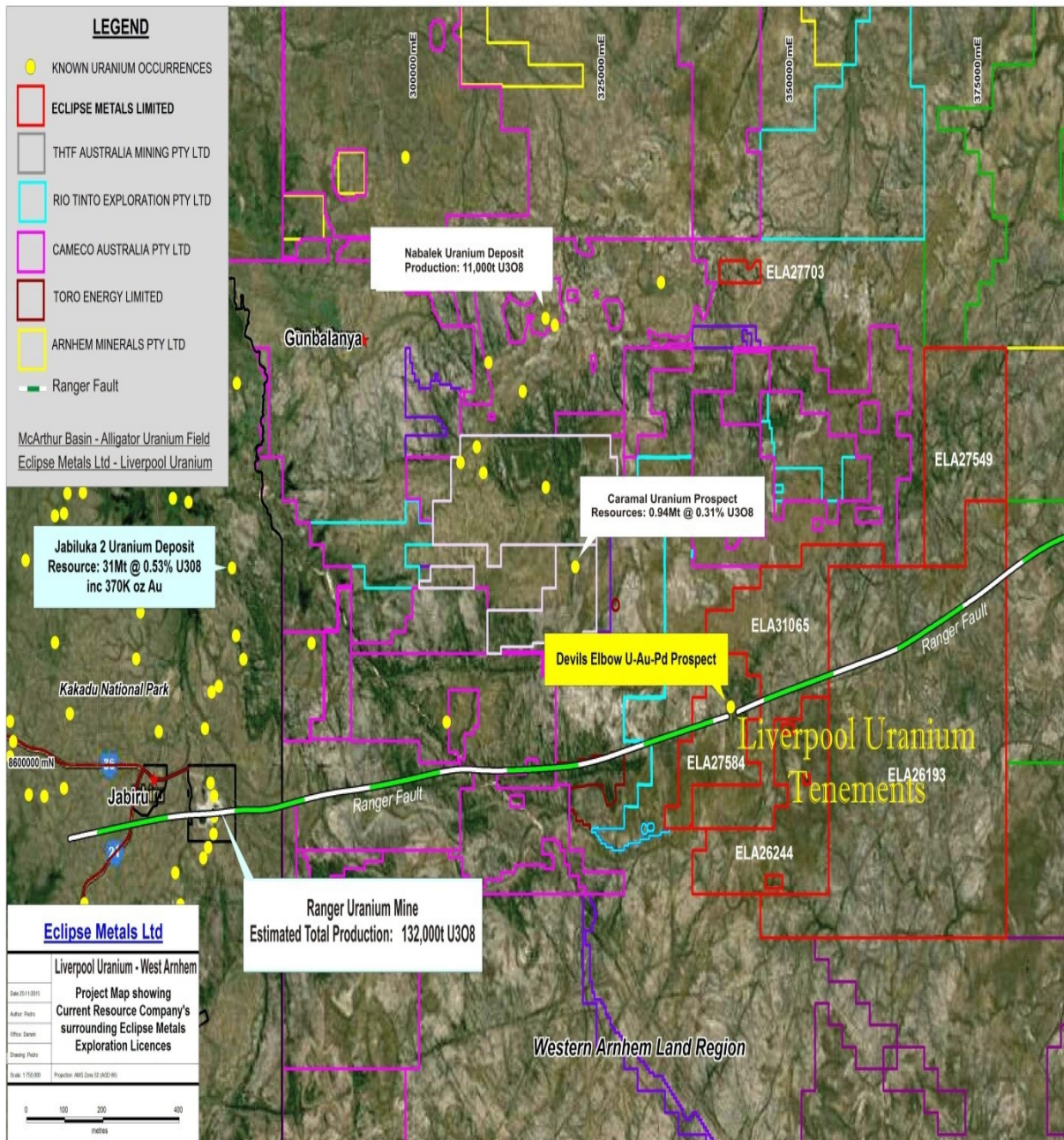


Figure 1. Liverpool Project location map and Devil's Elbow detail

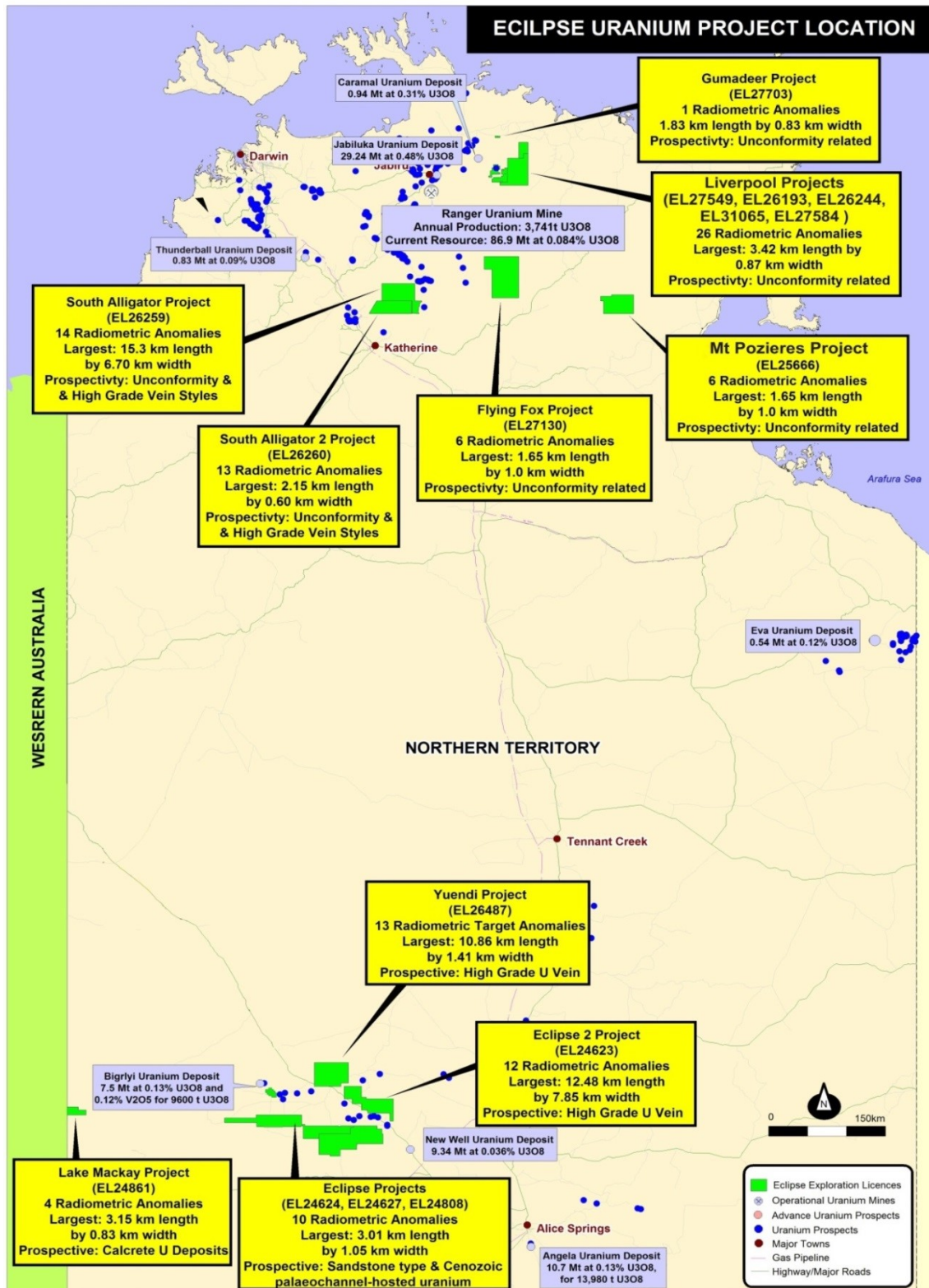
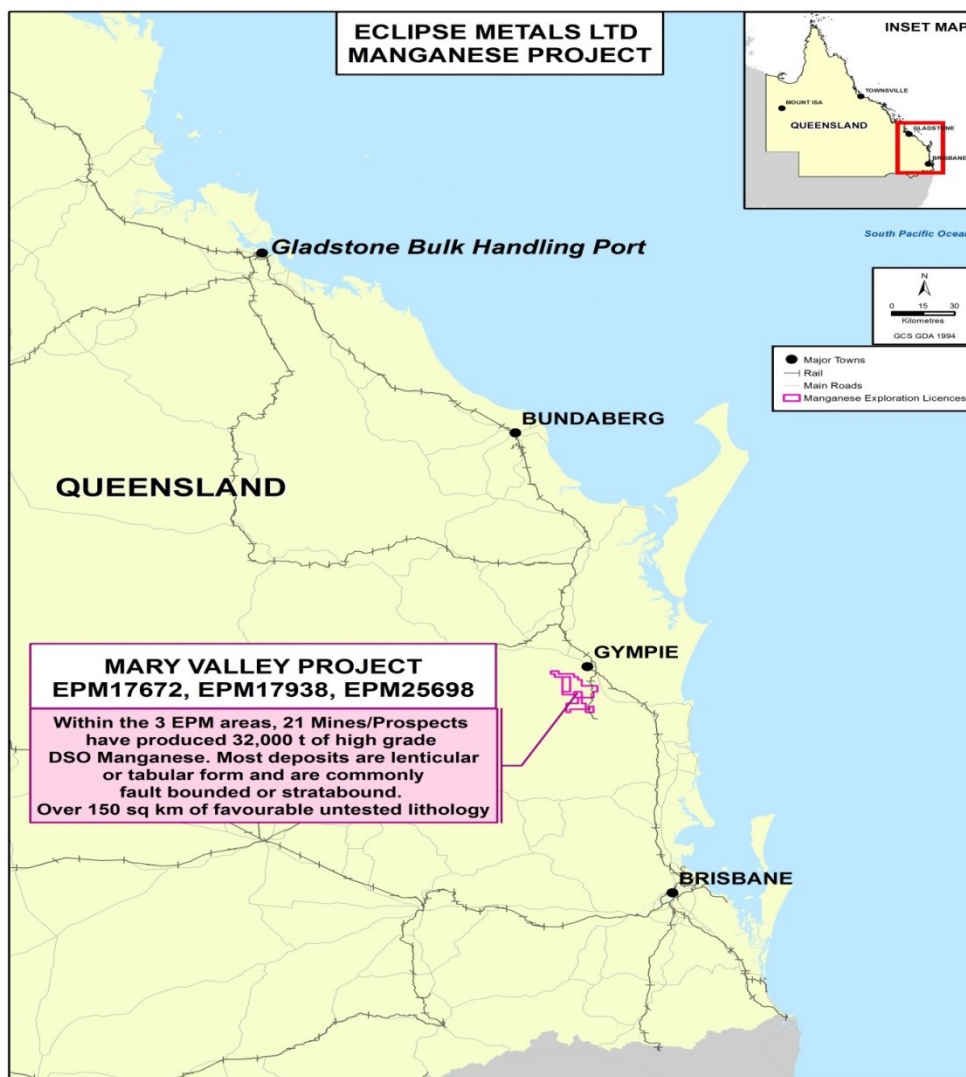


Figure 2. Eclipse Uranium Project Location Map in Northern Territory

## Mary Valley Project – Geophysical Surveys

During November and December 2016, further exploration was conducted on the Eclipse Metals Mary Valley manganese project area in Queensland (Figure 3). Employing an innovative combination of geophysical methods, three advanced prospects were surveyed. Based on preliminary results, further geophysical surveys are scheduled to be carried out in January and February 2017. Results from these surveys will be used to assist with mapping and drilling of these manganese deposits in 2017.



**Figure 3. Location of Mary Valley Project tenements**

The Amamoor, Upper Kandanga and Eel Creek historical mines and surrounding areas (locations in Figure 4) were surveyed using detailed gravity and passive seismic methods. These surveys were conducted to evaluate the resource potential of projected extensions to known high grade manganese mineralisation, previously observed and sampled during two periods of geological fieldwork (for Amamoor refer Figures 5 and 6 and Upper Kandanga Figure 7). These prospects were previously worked as high grade mines and the company considers that further mineralisation with potential for production of direct shipping ore (DSO) products can be developed in these old mining areas.



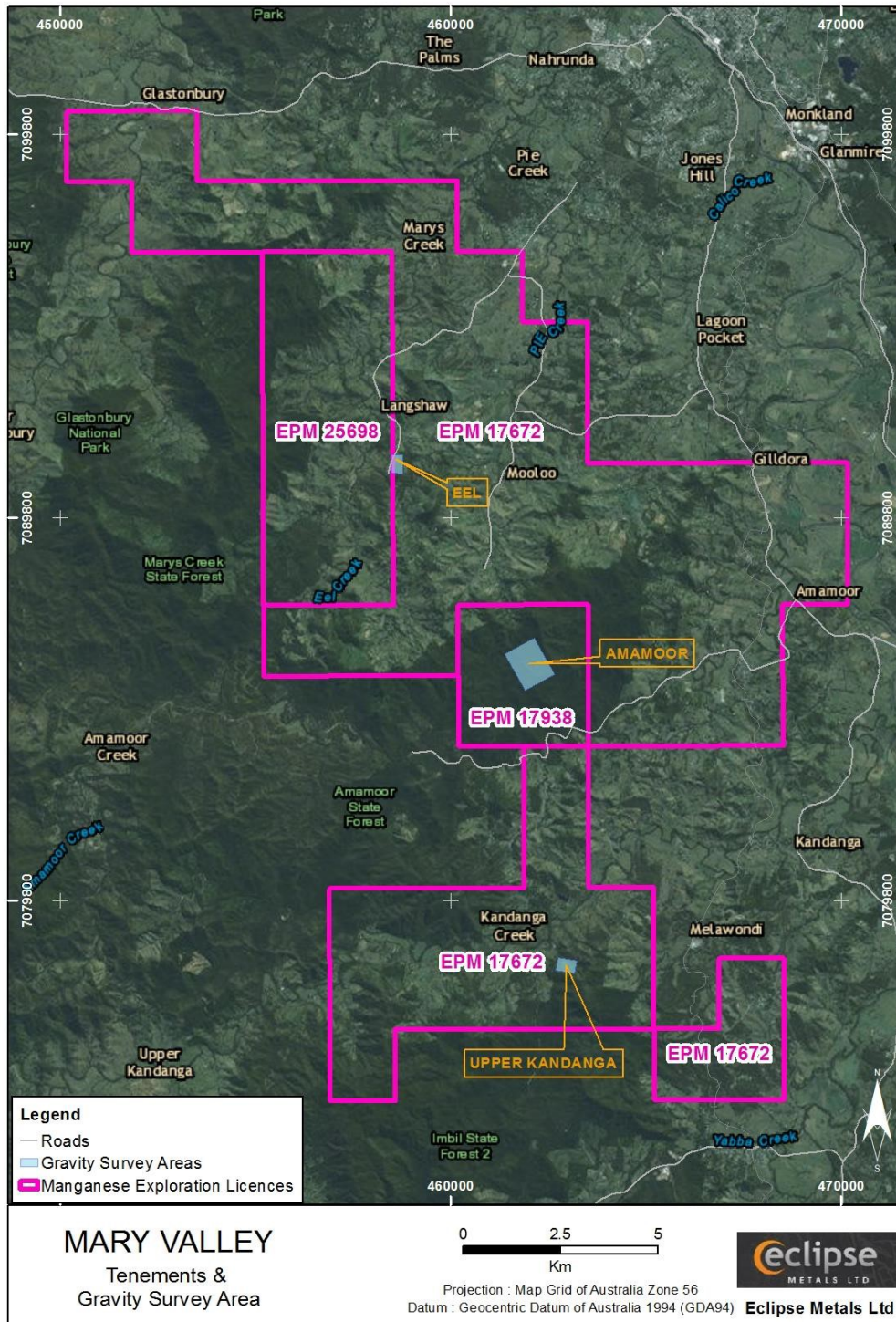
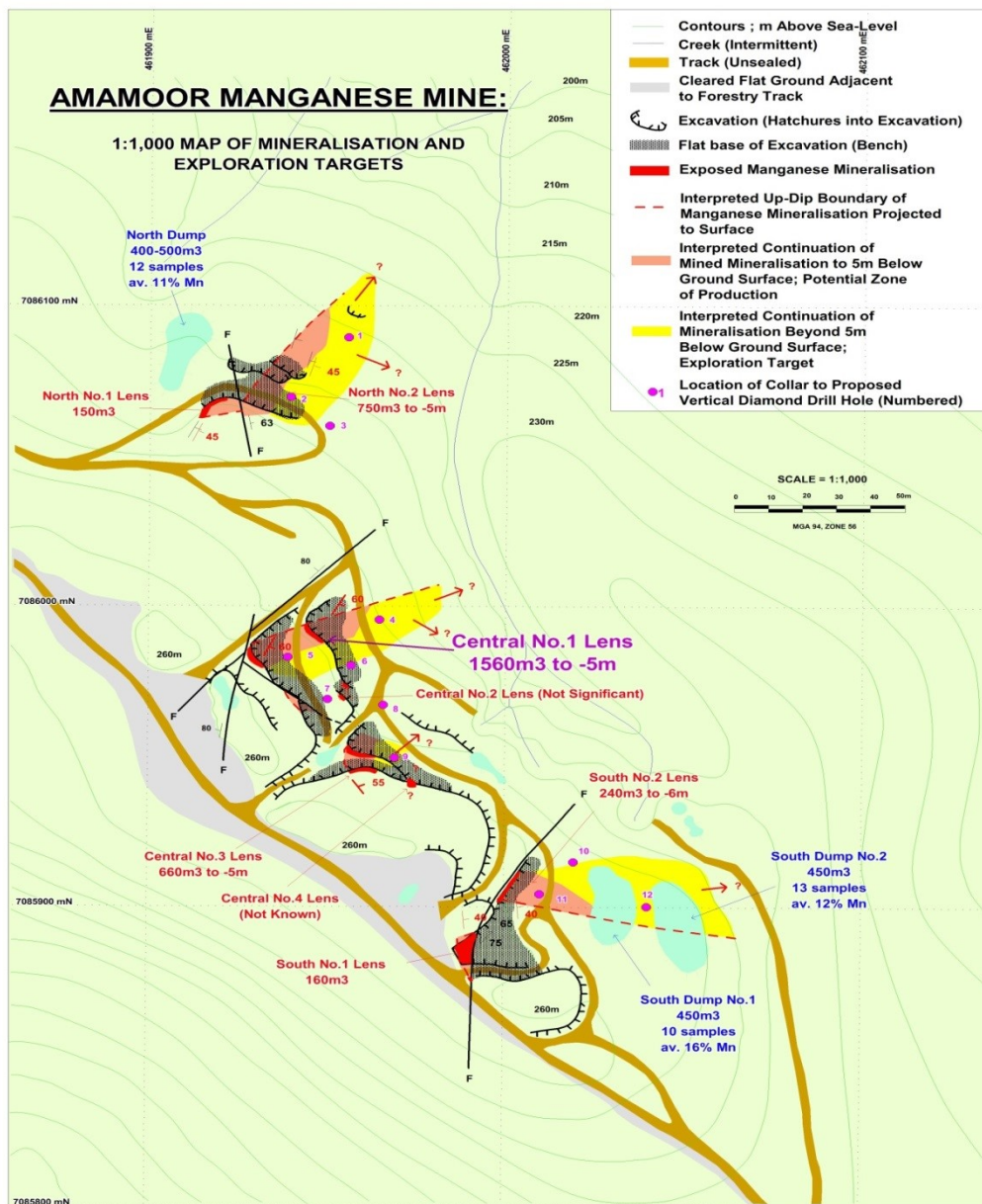


Figure 4. Location of main prospects in Mary Valley tenements



**Figure 5. Geological map of historical Amamoor Manganese Mine**

Preliminary geophysical results indicate there is potential for significant extension of mineralisation in the Amamoor and Eel Creek prospects and further work is scheduled for January and February 2017 to confirm this potential. Initial data from all surveys is presently being collated and will be interpreted upon receipt of data from the currently scheduled programme.

On completion of further geological evaluation, the Company is planning to conduct market research and bulk sample collection with a view to progressing development of a manganese mining operation.

**AMAMOOR MANGANESE MINE; CENTRAL WORKINGS  
CROSS SECTION C-D 1:500 scale**

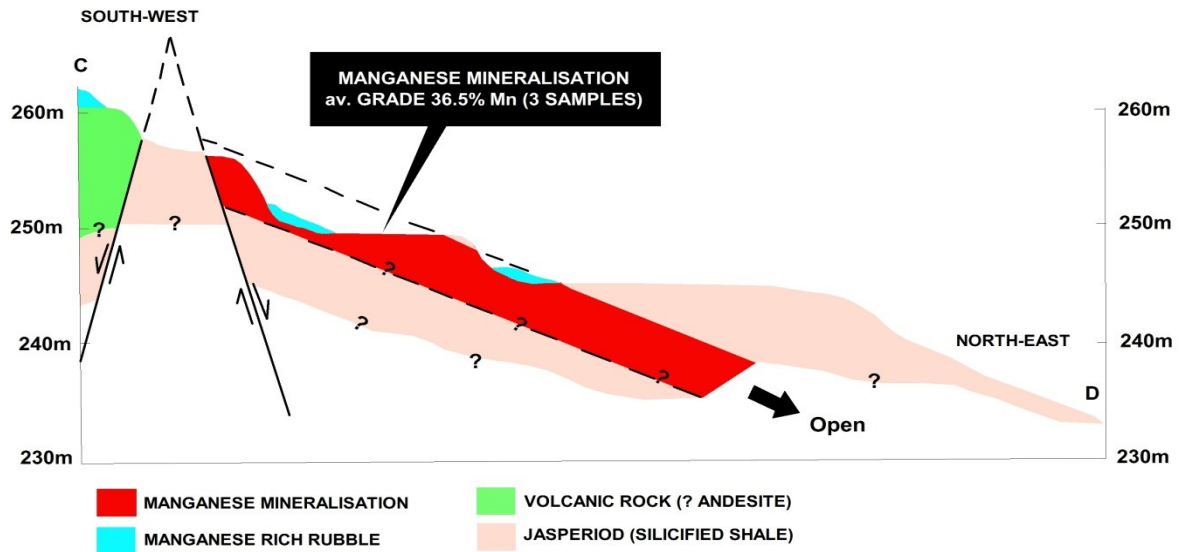


Figure 6. Typical cross section of historical Amamoor mine-site

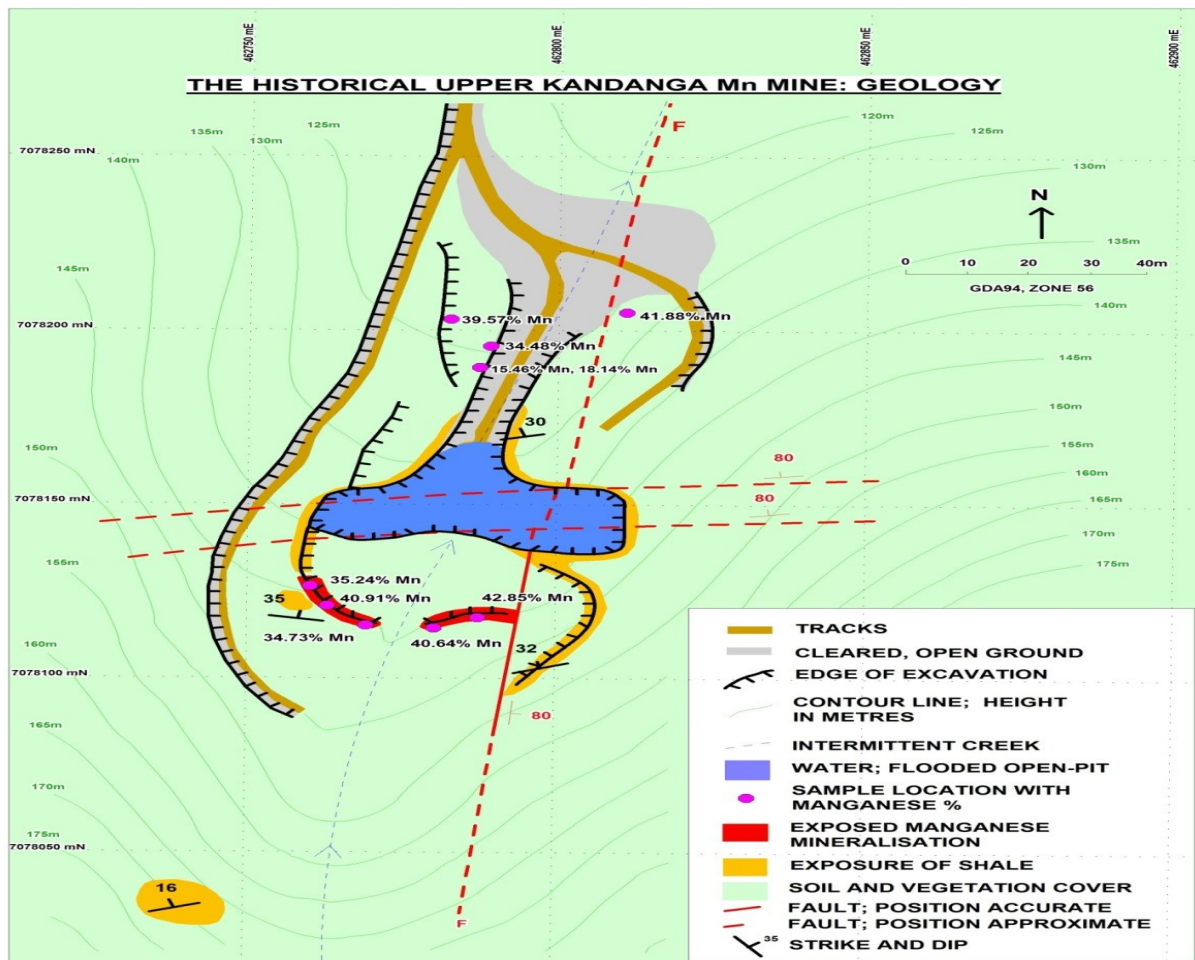


Figure 7. Upper Kandanga historical mine workings

## TENEMENT INTERESTS AT THE END OF THE PERIOD

## Granted Mining tenements

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Gratic Blk
EL 24808	Biglyi	Uranium	Granted	NT	Eclipse Metals Ltd	27
EL 27567	Mt Wells	Gold, Base-metals	Granted	NT	Eclipse Metals Ltd	5
EPM 17672	Mary Valley	Manganese	Granted	Qld	Eclipse Metals Ltd	54
EPM 17938	Amamoor	Manganese	Granted	Qld	Eclipse Metals Ltd	4
EPM 25698	West Mary Valley	Manganese	Granted	Qld	Eclipse Metals Ltd	10

## Exploration Licences Application

Tenement	Project Name	Status	State	Current/Legal Holder	Gratic Blk
EL 24623	Eclipse	Application	NT	Cauldron Energy Limited	305
EL31500	Eclipse	Application	NT	Cauldron Energy Limited	238
EL31502	Eclipse	Application	NT	Cauldron Energy Limited	238
EL31499	Eclipse	Application	NT	Cauldron Energy Limited	250
EL31501	Eclipse	Application	NT	Cauldron Energy Limited	250
EL 24861	Lake Mackay	Application	NT	Cauldron Energy Limited	50
EL 25666	Mt Poizieres	Application	NT	Whitvista Pty Ltd	229
EL 26193	Liverpool 1	Application	NT	Whitvista Pty Ltd	240
EL 26244	Liverpool 2	Application	NT	Whitvista Pty Ltd	50
EL 26259	South Alligator 1	Application	NT	Whitvista Pty Ltd	202
EL 26260	South Alligator 2	Application	NT	Whitvista Pty Ltd	274
EL 26283	Mt Theo	Application	NT	Whitvista Pty Ltd	260
EL 26487	Yuendi	Application	NT	Whitvista Pty Ltd	320
EL 31065	Liverpool 4	Application	NT	Eclipse Metals Ltd	68
EL 27130	Flying Fox	Application	NT	Whitvista Pty Ltd	482
EL 27549	Liverpool 3	Application	NT	Whitvista Pty Ltd	51
EL 27584	Devil's Elbow	Application	NT	NORTH, Lee	30
EL 27703	Gumadeer	Application	NT	North Minerals Pty Ltd	3

## Auditor's independence declaration

The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included on page 15 and forms part of the directors' report for the half- year ended 31 December 2016.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the corporations Act 2001

On behalf of the directors



---

**Carl Popal**  
**Executive Director**  
**13 March 2017**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
ECLIPSE METALS LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Eclipse Metals Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Eclipse Metals Limited (the consolidated entity). The consolidated entity comprises both Eclipse Metals Limited (the Company) and the entities it controlled during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Eclipse Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eclipse Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Eclipse Metals Limited on 13 March 2017.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eclipse Metals Limited is not in accordance with the *Corporations Act 2001* including:

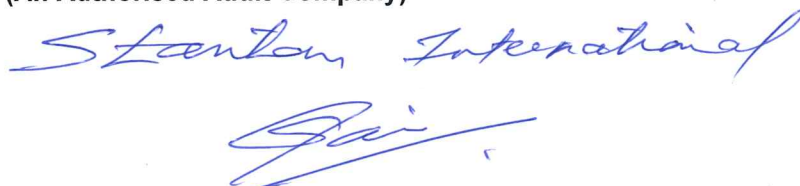
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**Material Uncertainty Regarding Capitalised Exploration Costs**

Without qualification to the review conclusion expressed above, attention is drawn to the following matter:

The recoverability of the consolidated entity's carrying value of capitalised exploration and acquisition costs of \$2,344,014 is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate amounts at least equivalent to their book values. In the event that the consolidated entity is not successful in the commercial exploitation and/or sale of the assets, the realisable value of the consolidated entity's assets may be significantly less than their current carrying values.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Samir R Tirodkar**  
**Director**

West Perth, Western Australia  
13 March 2017

13 March 2017

Board of Directors  
Eclipse Metals Limited  
Level 3, 1060 Hay Street  
WEST PERTH WA 6005

Dear Sirs

**RE: ECLIPSE METALS LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Eclipse Metals Limited.

As Audit Director for the review of the financial statements of Eclipse Metals Limited for the period ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Samir R Tirodkar**  
Director



## Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 *'Interim Financial Reporting'* and giving a true and fair view of the financial position as at 31 December 2016 and performance of the Group for the half year ended that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



---

**Mr Carl Popal**  
**Executive Director**  
13 March 2017

## Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2016

	Note	Consolidated	
		Half-year ended	
		31 Dec 2016	31 Dec 2015
		\$	\$
<b>Continuing operations</b>			
Revenue and other income	2	50,787	16,974
Employee benefits expenses and director fees		(110,700)	(125,263)
Consultancy expenses		(42,118)	(26,880)
Professional services expenses		(35,802)	(18,859)
Listing expenses		(14,268)	(8,456)
Travel expenses		(6,514)	(579)
Administration expenses		(40,170)	(35,280)
Impairment reversal/ (expenses)		-	(236,389)
Finance expenses		(449)	(457)
<b>Loss before income tax</b>		<b>(199,234)</b>	<b>(435,189)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(199,234)</b>	<b>(435,189)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
<b>Other comprehensive income for the period, net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(199,234)</b>	<b>(435,189)</b>
<b>Loss attributable to:</b>			
Owners of Eclipse Metals Limited		(199,201)	(417,657)
Non-controlling interests		(33)	(17,532)
		<b>(199,234)</b>	<b>(435,189)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Eclipse Metals Limited		(199,201)	(417,657)
Non-controlling interests		(33)	(17,532)
		<b>(199,234)</b>	<b>(435,189)</b>
<b>Loss per share:</b>			
Basic and diluted (cents per share)		(0.02)	(0.07)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

## Consolidated statement of financial position as at 31 December 2016

	Note	Consolidated	
		31 Dec 2016 \$	30 Jun 2016 \$
<b>Current assets</b>			
Cash and cash equivalents		491,551	431,412
Trade and other receivables		25,169	141,151
Prepayments		11,375	2,598
<b>Total current assets</b>		<b>528,095</b>	<b>575,161</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	3	2,344,014	2,324,800
<b>Total non-current assets</b>		<b>2,344,014</b>	<b>2,324,800</b>
<b>Total assets</b>		<b>2,872,109</b>	<b>2,899,961</b>
<b>Current liabilities</b>			
Trade and other payables		309,173	257,041
<b>Total current liabilities</b>		<b>309,173</b>	<b>257,041</b>
<b>Total liabilities</b>		<b>309,173</b>	<b>257,041</b>
<b>Net assets</b>		<b>2,562,936</b>	<b>2,642,920</b>
<b>Equity</b>			
Issued capital	4	24,417,451	24,298,201
Reserves		38,950	38,950
Accumulated losses		(21,869,663)	(21,670,462)
Owners of Eclipse Metals Limited		2,586,738	2,666,689
Non-controlling interests		(23,802)	(23,769)
<b>Total equity</b>		<b>2,562,936</b>	<b>2,642,920</b>

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

**Consolidated statement of changes in equity  
for the half-year ended 31 December 2016**

Note	Issued capital	Reserves	Accumulated losses	Sub-total	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>23,275,781</b>	<b>38,950</b>	<b>(21,009,592)</b>	<b>2,305,139</b>	<b>(22,068)</b>	<b>2,283,071</b>
Loss for the period	-	-	(417,657)	(417,657)	(17,532)	(435,189)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(417,657)</b>	<b>(417,657)</b>	<b>(17,532)</b>	<b>(435,189)</b>
Issue of ordinary shares	766,930	-	-	766,930	-	766,930
Share issue costs	(4,510)	-	-	(4,510)	-	(4,510)
Acquisition of non-controlling interest without a change in control	-	-	(30,951)	(30,951)	15,951	(15,000)
<b>Balance at 31 December 2015</b>	<b>24,038,201</b>	<b>38,950</b>	<b>(21,458,200)</b>	<b>2,618,951</b>	<b>(23,649)</b>	<b>2,595,302</b>
<b>Balance at 1 July 2016</b>	<b>24,298,201</b>	<b>38,950</b>	<b>(21,670,462)</b>	<b>2,666,689</b>	<b>(23,769)</b>	<b>2,642,920</b>
Loss for the period	-	-	(199,201)	(199,201)	(33)	(199,234)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(199,201)</b>	<b>(199,201)</b>	<b>(33)</b>	<b>(199,234)</b>
Issue of ordinary shares	121,000	-	-	121,000	-	121,000
Share issue costs	(1,750)	-	-	(1,750)	-	(1,750)
<b>Balance at 31 December 2016</b>	<b>24,417,451</b>	<b>38,950</b>	<b>(21,869,663)</b>	<b>2,586,738</b>	<b>(23,802)</b>	<b>2,562,936</b>

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

**Consolidated statement of cash flows for the half-year ended 31 December 2016**

	<b>Consolidated</b>	
	<b>Half-year ended</b>	
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(182,618)	(179,115)
Refund from R&D	46,256	-
Finance costs	(449)	(457)
Interest received	1,914	598
Net cash used in operating activities	<u>(134,897)</u>	<u>(178,974)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(19,214)	(14,560)
Net cash used in investing activities	<u>(19,214)</u>	<u>(14,560)</u>
<b>Cash flows from financing activities</b>		
Proceeds from shares to be issued	-	30,000
Proceeds from issuance of shares	216,000	430,742
Share issue costs	(1,750)	(4,510)
Net cash provided by financing activities	<u>214,250</u>	<u>456,232</u>
<b>Net increase in cash and cash equivalents</b>	<b>60,139</b>	<b>262,698</b>
Cash and cash equivalents at the beginning of the period	431,412	231,670
<b>Cash and cash equivalents at the end of the period</b>	<b><u>491,551</u></b>	<b><u>494,368</u></b>

The consolidated statement of cash flow is to be read in conjunction with the notes to the financial statements.

## Condensed notes to the consolidated financial statements for the half-year ended 31 December 2016

### 1. Significant accounting policies

#### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Company for the year ended 30 June 2016 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 10 March 2017.

#### a. Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Eclipse Metals Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group.

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary courses of business. For the half year ended 31 December 2016 the Group incurred a loss of \$199,234 (31 December 2015: loss \$435,189). Based upon the Group's existing cash resources of \$491,551 (30 June 2016: \$431,412) and the capital raising of \$1,000,000 during January and February 2017, the ability to modify expenditure outlays if required, and to source additional funds, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the Group's 31 December 2016 half year financial report. The Board of Directors is aware, having prepared a cashflow forecast, of the Group's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months. In the event that the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

#### b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

**2. Revenue and other income**

	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	\$	\$
Interest income	1,914	598
Grant – Research & Development	46,257	-
Creditors Written off	-	16,376
Refund on Tenement Deposit	2,616	-
	<u>50,787</u>	<u>16,974</u>

**3. Exploration and evaluation expenditure**

	<b>31 Dec 2016</b>	<b>30 Jun 2016</b>
	\$	\$
Balance at beginning of the period	2,324,800	2,531,290
Additions	19,214	51,533
Disposals	-	-
Impairment	-	(258,023)
	<u>2,344,014</u>	<u>2,324,800</u>

**Exploration and evaluation expenditure**

There is uncertainty as to the recoverability of the deferred exploration and evaluation expenditure assets of Eclipse Metals Limited at their stated values. The recoverability of the deferred exploration and evaluation expenditure assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas.

**4. Issued Capital**

	<b>31 Dec 2016</b>	<b>30 Jun 2016</b>
	\$	\$
Fully paid ordinary shares (a)	24,417,451	24,298,201
	<u>24,417,451</u>	<u>24,298,201</u>

**(a) Fully paid ordinary shares**

	<b>31 Dec 2016</b>		<b>30 Jun 2016</b>	
	No.	\$	No.	\$
Balance at beginning of period	964,616,948	24,298,201	647,106,824	23,275,781
Issued pursuant to AGM Resolutions passed in Dec 15			17,000,000	85,000
Issued pursuant to non-renounceable rights issue			165,860,123	497,580
Issued pursuant to shortfall Dec 15			55,883,334	184,350
Issued pursuant to shortfall Feb16			12,100,000	60,000
Issued pursuant to shortfall placement			66,666,667	200,000
Issued to Investors	13,799,999	96,000		
Issued pursuant to AGM resolution Dec 16	1,500,000	7,500		
Issued pursuant to AGM Resolution Dec 16	3,500,000	17,500		
Share Issue Costs		(1,750)		(4,510)
	<u>983,416,947</u>	<u>24,417,451</u>	<u>964,616,948</u>	<u>24,298,201</u>

## 5. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities at the end of the reporting period.

## 6. Commitments

### *a. Leasing commitments*

At the half-year ended 31 December 2016, the Group had a lease agreement with Amberley Business Centre. The lease will expire on the 6<sup>th</sup> of April 2017 and the company may give two months' notice to terminate the lease otherwise the company can also re negotiate the rent agreement.

### *b. Exploration commitments*

Exploration commitments not longer than one (1) year total \$98,914 and commitments longer than one (1) year and not longer than five (5) years total \$166,624 These commitments may vary depending on whether the group relinquishes any tenements or enters into formal arrangements.

## 7. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2016 annual financial report.

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits and share-based payments.

## 8. Segment information

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately. Eclipse Metals Limited has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenues and results of this segment are those of the Group and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Group and are set out in the consolidated statement of financial position.

## 9. Subsidiaries

Entity	Incorporation	Percentage owned (%)*	
		31 Dec 2016 Ownership	30 Jun 2016 Ownership
North Minerals Pty Ltd	Australia	100.00	100.00
Central Energy Pty Ltd	Australia	100.00	100.00
Whitvista Pty Ltd	Australia	100.00	100.00
U308 Agencies Australia Pty Ltd	Australia	100.00	100.00
Walla Mines Pty Ltd (i)	Australia	87.17	87.17
Contour Resources Pty Ltd	Australia	99.48	99.48

\* Percentage of voting power is in proportion to ownership.

(i) Direct and indirect percentage owned.



## 10. Subsequent events

During January 2017, the company raised capital of \$360,000 after costs from issue of 60,000,000 ordinary shares at \$0.006 per share and 3,000,000 ordinary shares as payment for services associated with the capital raising placement.

During February 2017, the company raised capital of \$469,000 after costs from the issue of 67,000,000 ordinary shares at \$0.007 per share and 3,000,000 ordinary shares as payment for services associated with the capital raising placement.

During March 2017, the company raised capital of \$180,000 after costs from the issue of 25,714,286 ordinary shares at \$0.007 per share and 1,542,857 ordinary shares as payment for services associated with the capital raising placement.