

11th December 2017

The Company Announcement Platform
ASX Limited
Exchange Centre
20 Bridge Road
SYDNEY NSW 2000

Diamond Drilling Scheduled to Commence On Mary Valley Manganese Deposits

- **Permits to drill in place**
- **Preferred drilling contractor identified**
- **Contract personnel in place**
- **Drilling to commence this month**

Eclipse Metals (ASX:EPM or **the Company**) is pleased to announce that following recent geophysical surveys, metallurgical, and mineralogical test-work, the Company has received approval to commence a diamond drilling program on its Mary Valley Manganese deposits in QLD and has commenced site preparation.

This is the first modern reconnaissance drilling program to be conducted on the Company's Mary Valley manganese project tenements centred 14km southwest of Gympie in Queensland (Figure 1). Planned diamond drilling is designed to test the width, grade and character of manganese mineralisation proximal to historic high grade workings at Eel Creek and Amamoor. Previous metallurgical test-work results indicate that mineralisation in these deposits has demonstrable potential to produce manganese as Direct Shipping Ore (DSO – refer ASX:EPM announcement 6th June 2017).

The Company recently received final quotations to undertake drilling. The Company has a preferred drilling contractor with the appropriate drill rig who has advised availability to commence the drilling program at Mary Valley from the week commencing 18th December 2017 or earlier subject to local weather conditions.

The drill rig is a small-footprint, tracked machine suitable for working in the area. All approvals to undertake the work are in place, and the Company has engaged personnel to supervise the drilling program in conjunction with technical direction from the Board. A short break between Christmas and New Year is scheduled.

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

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Craig Hall
Non-Executive Director

Rodney Dale
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EPM

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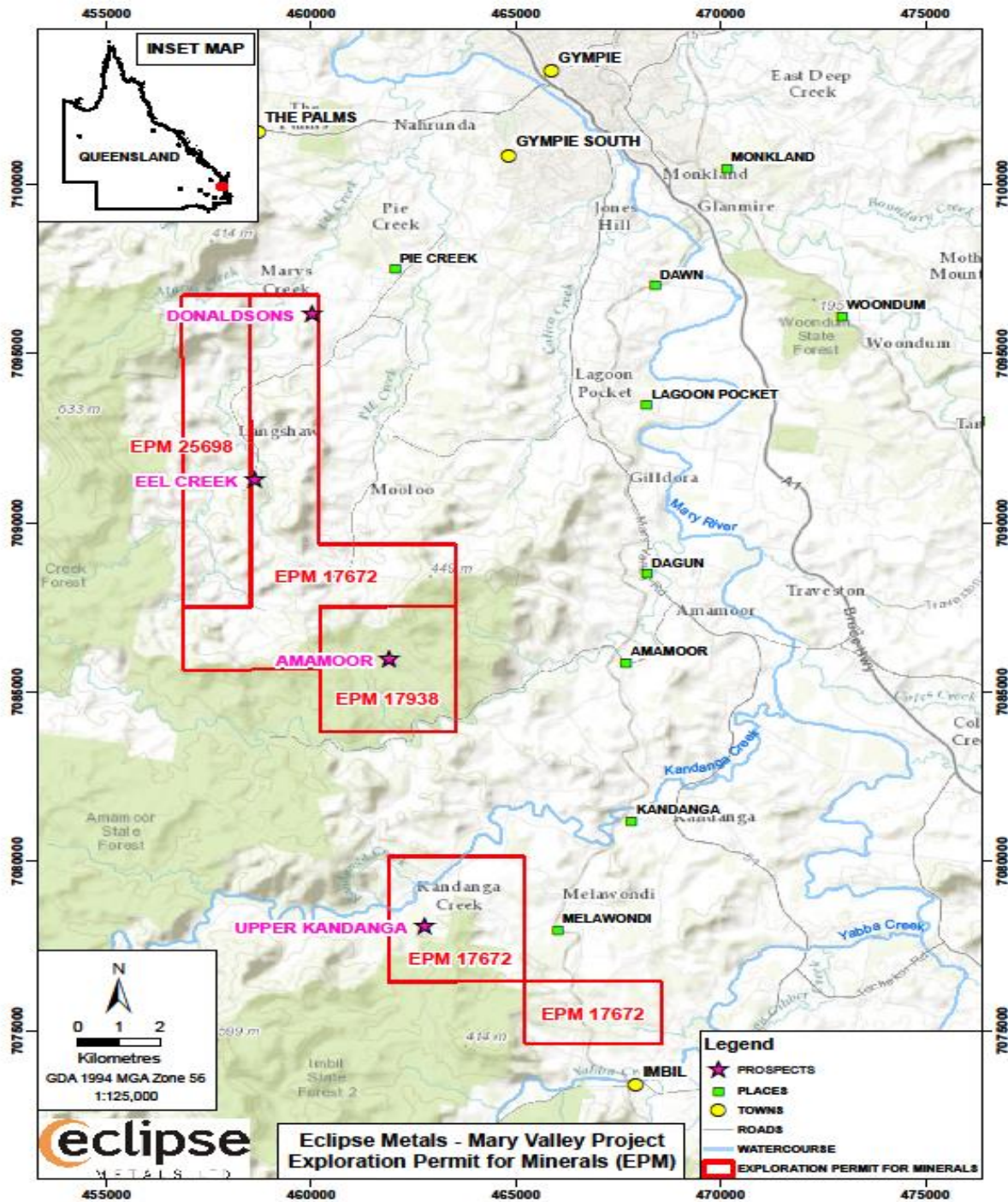


Figure 1 Location Plan for Eclipse’s Mary Valley Manganese Project

The single-shift diamond drilling program is scheduled to commence at the Eel Creek prospect, where nine (9) holes are planned on section lines generally 100m apart, subject to site conditions, south of the historic workings. Proposed drill holes are targeting an extension to mineralisation indicated by recent gravity survey results and follow up field reconnaissance (refer ASX:EPM announcement 4th April 2017). Refer **attached** drill plan, Figure 2.

Drill holes for the Eel Creek area are planned nominally to 50m depth. Some holes may go deeper to test for repetitions of the mineralised lense and subsequent drilling depths will be based on geological observations.

Upon completion of the Eel Creek program, the drill will be moved to Amamoor to undertake a traverse style drilling programme along an easily accessible ridge-line track, with holes spaced around 50m apart.

Initial drilling may go deeper to test for repetitions of the mineralised lenses and subsequent drilling depths will be based on geological observations. Currently ten (10) holes are planned for Amamoor. Refer **attached** drill plan Figure 3.

The gravity survey over the Amamoor workings indicated anomalism along strike down-dip (towards the NW) from the central workings and to the south and south-east from the southern workings, indicating presence of further, previously unmapped manganese mineralisation, now confirmed by sampling.

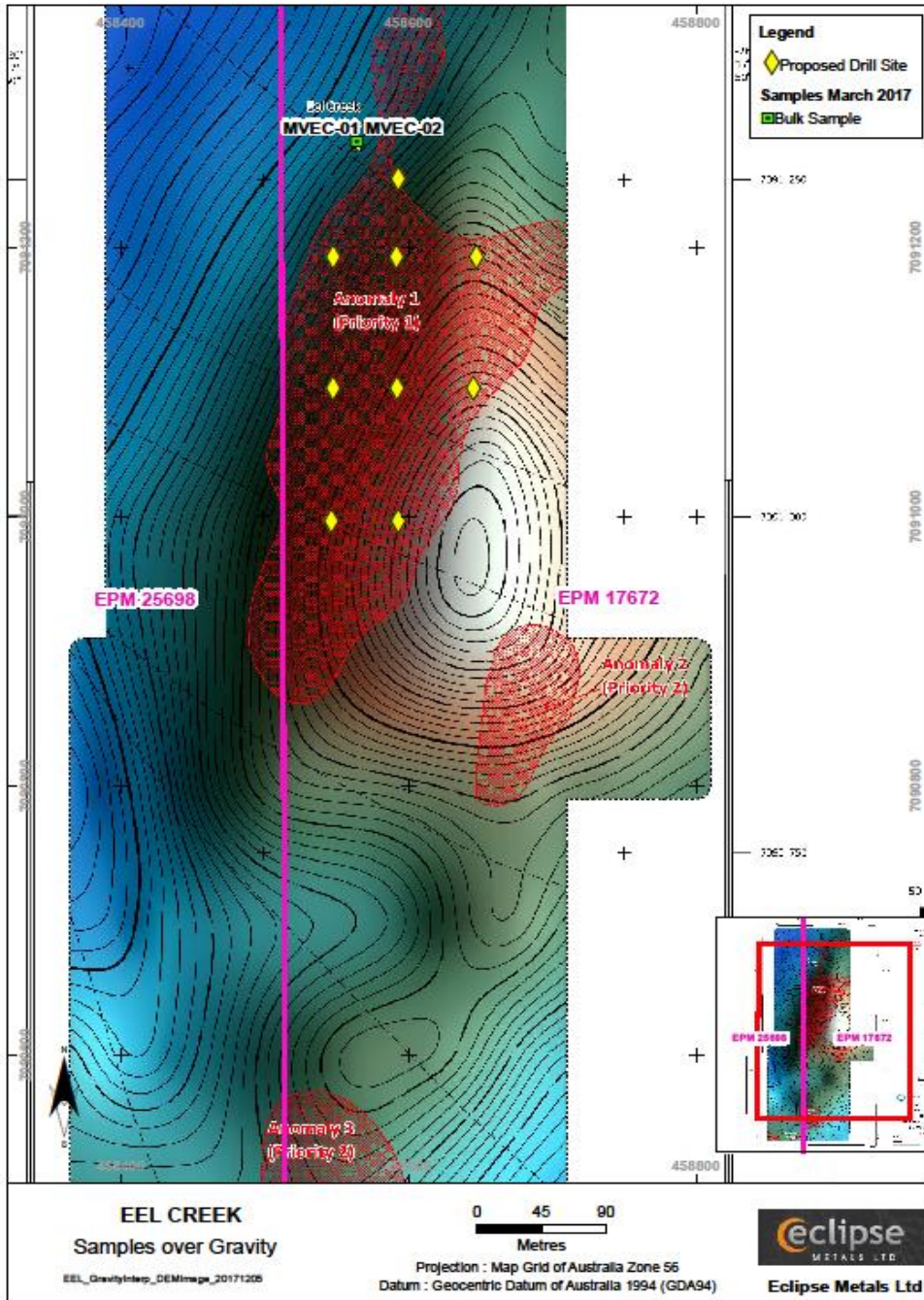


Figure 2 Eel Creek gravity anomaly map with sample locations

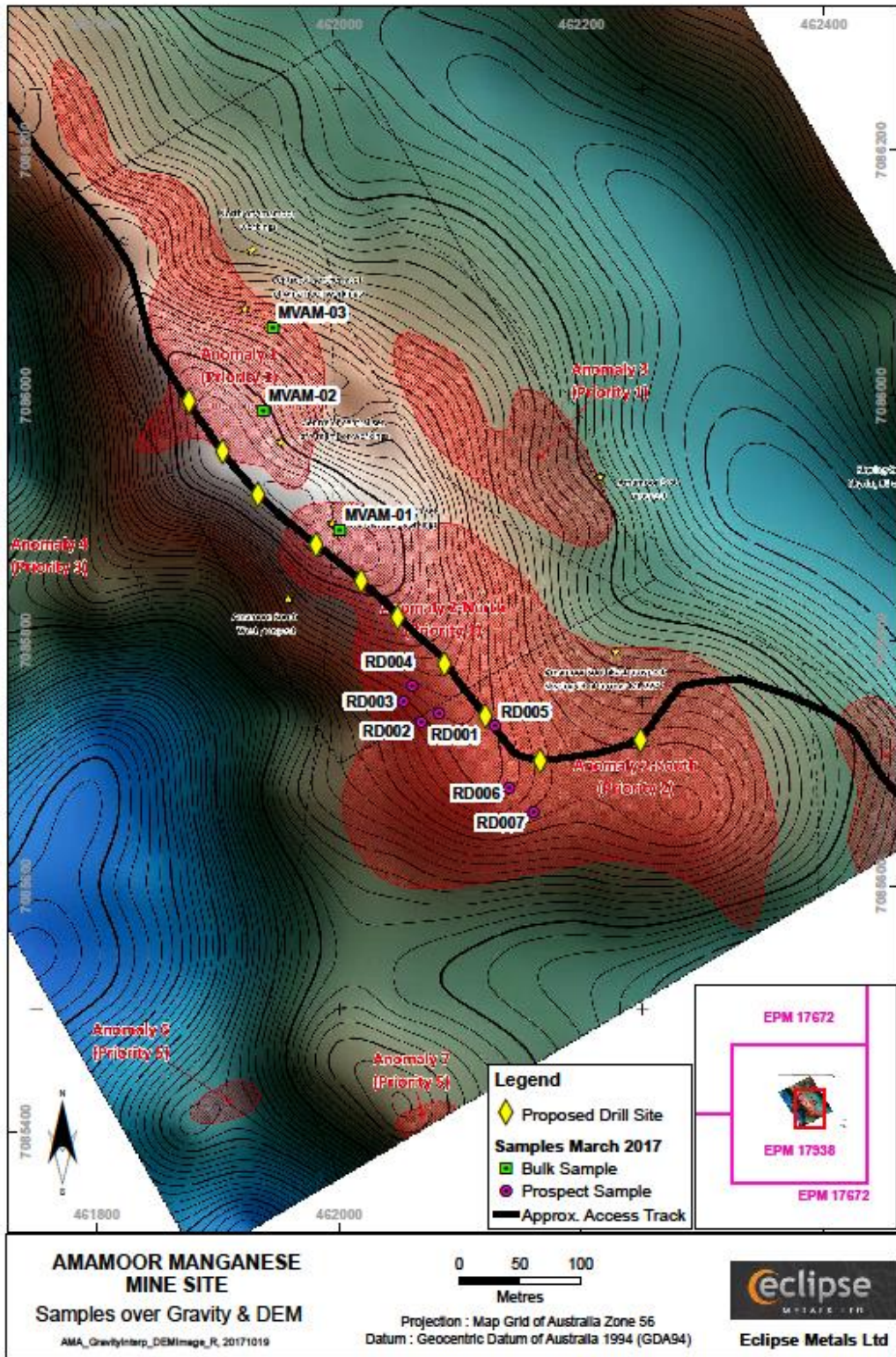


Figure 3 Amamoor gravity anomaly map with sample locations

Commenting on the imminent drilling programme, Mr Carl Popal, Executive Chairman of Eclipse Metals, said:

“Exploration on the Company’s Mary Valley Manganese tenements has delineated extensive gravity anomalism indicating potentially large manganese mineralised deposits at both the Amamoor and Eel Creek prospects warranting drilling.

We are grateful for collaboration from the local landowners and local contractors for strongly supporting and facilitating the company’s drilling program. The drilling contractor has expressed confidence in the Company’s drilling program and agreed to take a portion of his charges as Shares in lieu of cash payment on a fixed daily market price, escrowed till completion of the drilling program. This further enhances the potential for success of the project. It is anticipated that the development of a potentially economical manganese deposit will bring great benefit to both the Company shareholders and the local community which is apparent in this early stage of development.

The Company aims to complete the program in 2018 and looks forward to updating the market on results and further confirmation of manganese mineralisation at depth.”

For and of behalf of the board.

Carl Popal
Executive Chairman

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Competent Persons Statements

Metallurgy *The information in this release that relates to metallurgy and metallurgical test work has been reviewed by Mr Noel O’Brien, FAusIMM, MBA, B. Met Eng. Mr O’Brien is employed as a contract consultant by Eclipse. Mr O’Brien is a Fellow of the Australasian Institute of Mining and Metallurgy, and he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the “Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves” (The JORC Code). Mr O’Brien consents to the inclusion in this report of the contained technical information in the form and context as it appears. Mr O’Brien meets the requirements to act as a Qualified Person .*

Geology *The information contained in this release that pertains to Exploration Results comprised of the gravity survey in relation to the Mary Valley manganese project, is based upon, and fairly represents, the information and supporting documentation prepared by Mr Rodney Dale, FRMIT, FAusIMM, a Non-Executive Director of Eclipse Metals Limited. Mr Dale is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*

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

