17 August 2020

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

STAGE TWO DIAMOND DRILLING COMMENCING IN MARY VALLEY MANGANESE PROJECT, QUEENSLAND

Highlights

- **Permits to drill second phase diamond drilling in place.**
- **Program of work formalised.**
- **Contract personnel in place.**
- **Shallow high grade intersections indicate multiple lenses open in all directions at Amamoor**
- **500m diamond drilling program will target extensions of known high grade manganese mineralisation concentrated within the historically mined Amamoor district (historical production 19,630t @ 51% Mn).**
- **Target areas will be drilled based on previous identification of surface high-grade manganese mineralisation and initial drilling results.**

The Directors of Eclipse Metals Limited (**Eclipse Metals** or the **Company**) (ASX: EPM) are pleased to advise planning has commenced for a drilling program to extend the high-grade manganese mineralization intersected during initial drilling exploration in 2018 in the Amamoor, Mary Valley project in QLD. Refer to Figure 1 for location of historical workings and drill sites.

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. The Company has a preferred contractor with the appropriate drilling rig and experience in the area who has advised availability to commence the drilling program at Mary Valley during September 2020.

Drill samples in 2018 returned assays ranging up to **62% MnO** in parallel dipping formations which are open along strike in both directions and at depth. Refer to Figure 2. It is planned to drill several additional holes to depths of up to 60m to test these extensions with a view to establishing the extent of this mineralisation and an initial high-grade minable resource.

Positive metallurgical results affirm that the manganese mineralisation at Mary Valley is amenable to beneficiation with acceptable low phosphorous in concentrates.

Predominant manganese minerals identified in drill-core include hausmannite and braunite and a new species of manganese mineral identified during petrological studies, named after this location as Amamoorite. This name has been accepted by the International Mineralogical Association (IMA) after study by several senior research establishments.

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.

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BACKGROUND

The Mary Valley Manganese Project is located in the Gympie district in southwest Queensland. The largest mine on EPM17938 was at Amamoor No.1 Manganese Deposit (19,630t @ 51% Mn). Subsequently, within only two limited areas of the Mary Valley project, surface technical evaluation indicated the potential for several thousand tonnes of near-surface high grade manganese mineralisation (see ASX release 17 March 2015).

The nearest shipping port from the area is located near Brisbane, approximately 130 kilometres to the south. The Gympie to Brisbane Railway line is approximately 16Km east from the Amamoor project area.

The Eclipse Metals Ltd (Eclipse) Mary Valley Manganese Project is comprised of granted Exploration Permits for Minerals, EPM's 17672 and 17938. The Amamoor Project tenement, EPM17938, is located approximately 6km to the west of the small town of Amamoor, about 20km south from Gympie, a major regional town in southeast Queensland with an operating railway line. The most significant site of manganese mineralisation within the project area is the historical Amamoor Manganese Mine.

The Amamoor mine contributed the majority of previous manganese production from the Mary Valley region. Historical production of manganese ores was from shallow open-cut excavations. More recent workings obliterated earlier workings which comprise both access cuts, made to enable vehicle movement and narrow pits from which ore was mined. Excavations followed the trend of mineralisation, excavated using a bulldozer to scrape progressively deeper benches into the weathered rocks. There is no evidence of deeper open-cut or underground mining. Mining at the Amamoor Manganese Mine occurred in four phases- 1920 to 1926; 1937 and 1938; 1950 to 1954, 1958 and 1959.

The deposit model has characteristics similar to the Woodie Woodie deposit in Western Australia and Cuban style deposits of manganese minerals. It appears that early workers assumed the manganese rich formations were tabular bodies lying on the north-eastern slopes of steep ridges. Geological investigations and drilling conducted by Eclipse Metals has demonstrated that manganese enrichment occurs in steeply NE dipping formations, probably as fault replacements cutting across the host geological beds, refer cross section for holes ADD006 and 007, Figure 2. below.

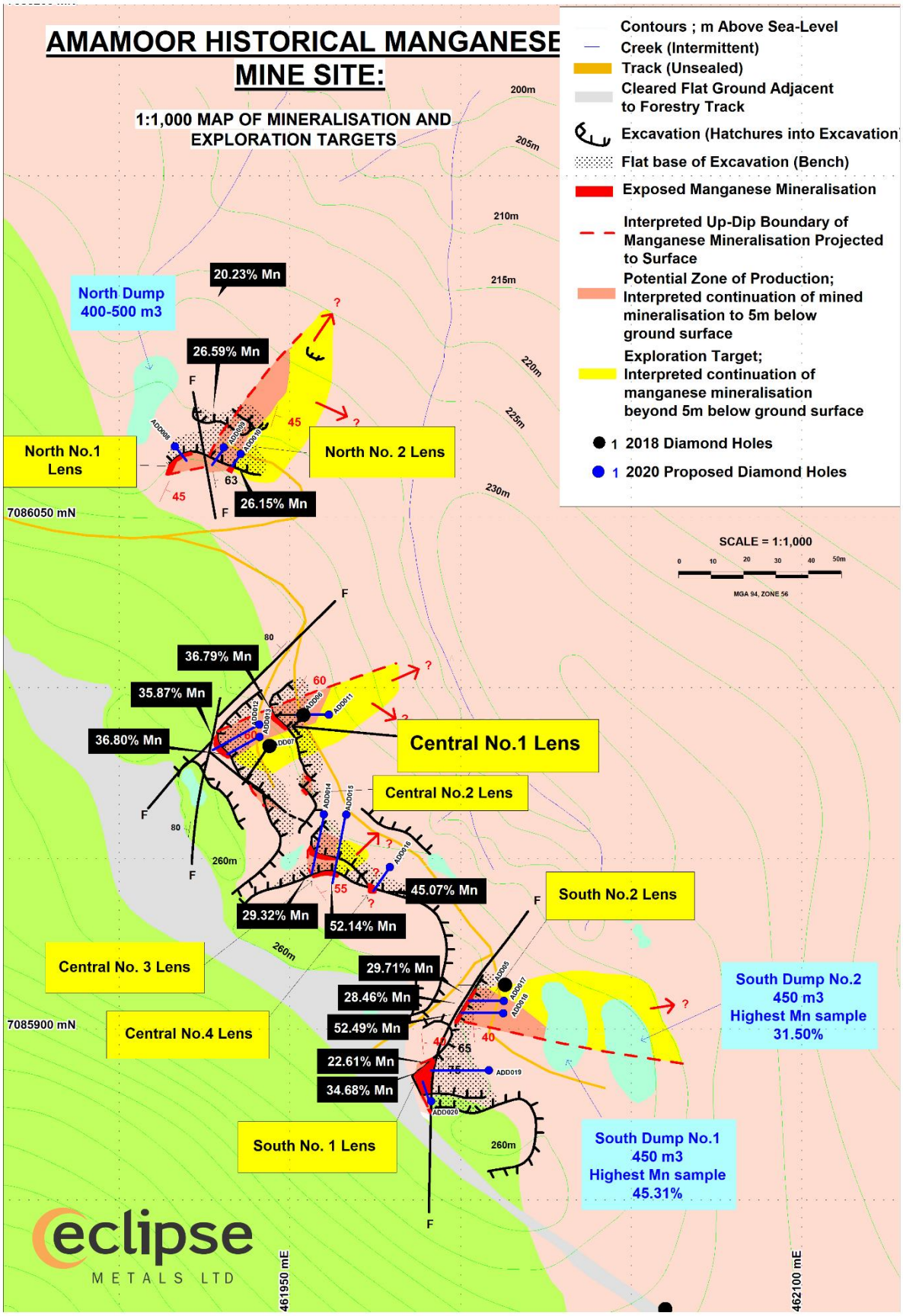

Figure 1: Amamoor Geological Map showing Proposed Diamond Drill Hole locations

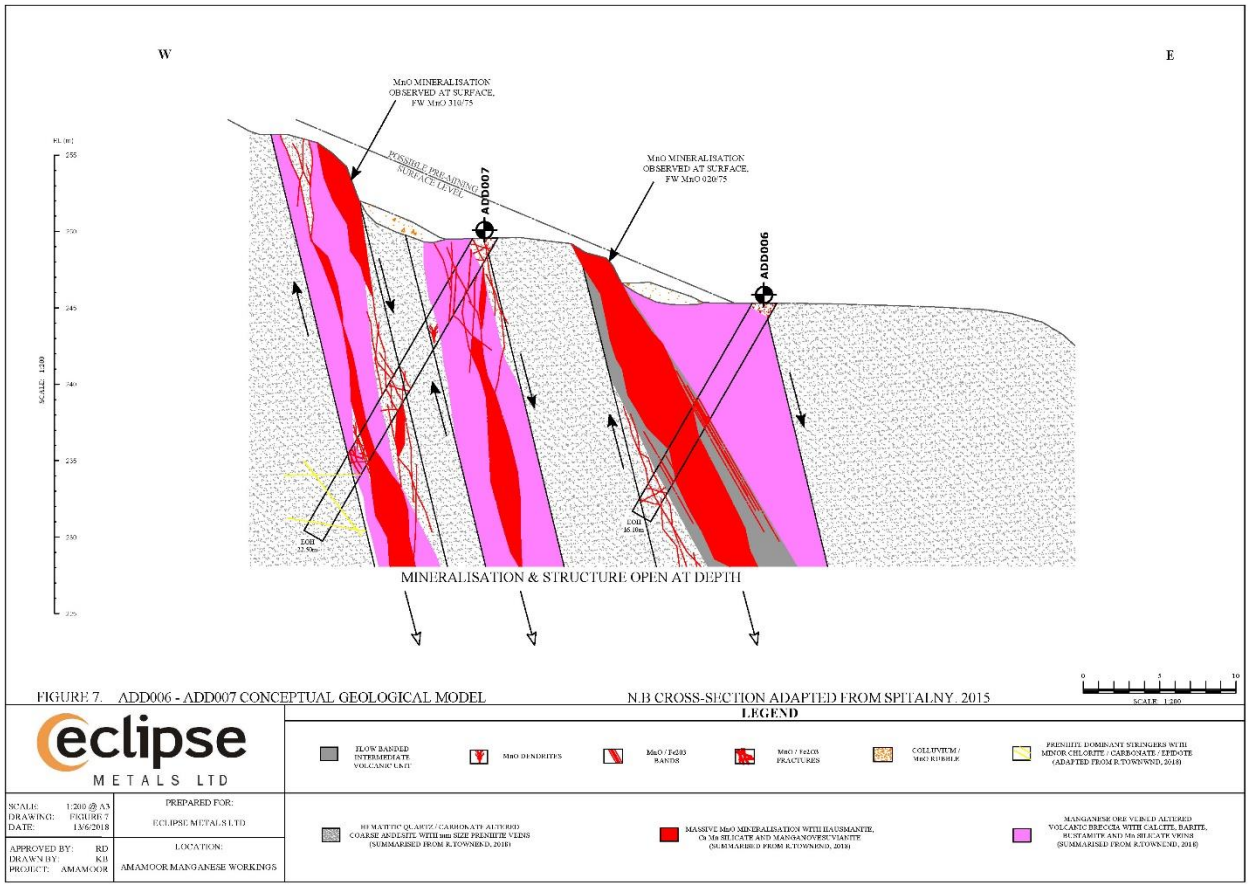

Figure 2. Cross Section ADD006, 007 - Conceptual interpretation of mineralisation based on drill data and surface geological observation.

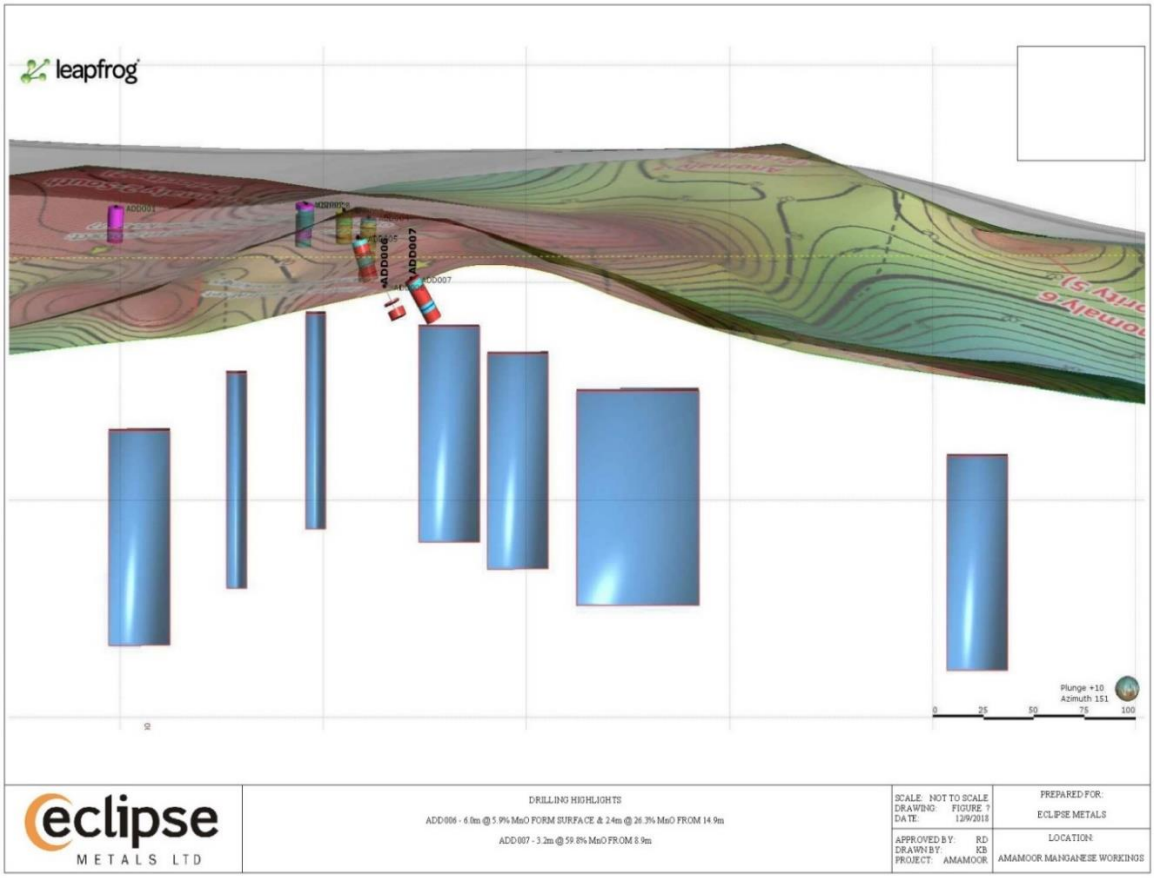

Figure 3. Preliminary 3D conceptual interpretation based on gravity and drill hole data, depicting possible targets for manganese mineralisation at depth (note section is reverse of Figure 2 view)

Eclipse Metals Ltd Executive Chairman Mr Carl Popal commented*:*

"As demand for clean energy and energy storage, catalytic application and sensor application material increases, Eclipse is better positioned to develop its DSO manganese project, containing metallurgically acceptable mineralisation characteristics for near term commercial development for the battery, ferroalloy and high tensile steel industries. At Amamoor, 19,630t @ 51% Mn was extracted and said to have been used in manufacturing alkaline manganese batteries pre 1960's.

Eclipse's technical evaluation in two limited areas of the Mary Valley project area indicated near surface the potential for sizable lodes of high grade manganese mineralisation. First stage shallow drilling produced high grade results including ***3.2m @59.8%*** *MnO from a depth of 8.8m in steeply-dipping high grade lenses. The second stage drilling program is targeted to delineate extensions of these lenses and to test other mineralised outcrop areas with an aim of developing the potential for a high grade manganese resource.*

Our positive metallurgical results have affirmed that mineralisation is amenable to beneficiation with acceptable low phosphorous in concentrates. A smelter grade concentrate was produced from bulk samples. Overall the results to date have increased the potential for manganese production from Mary Valley."

The Company looks forward to updating the market on progress with the developments on Devil's Elbow Uranium Au –PGE project in due course.

Approved for release by the Board.

Carl Popal
Executive Chairman

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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. Petro Kastellorizos and Mr. Rodney Dale, both Non-Executive director 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.