11 May 2015

West Mary Valley Manganese Project Granted

Highlights

- Exploration Mineral Permit (EPM25698), also known as "West Mary Valley Project", has been granted for exploration by the Queensland Department of Natural Resources and Mines. The project lies west of Eclipse's highly prospective Mary Valley Manganese Project.
- Eclipse has now extended its tenement holdings over the Mary Valley Manganese Field to 209.8 km^2.
- Literature assessment of historical Queen Mary mine workings (1908-1910) within EPM25698 indicates that **full extent of mineralisation has not been exploited**, providing substantial exploration upside.
- There had been no systematic modern exploration for manganese deposits over the three exploration mineral permit areas until recent activity by Eclipse.
- Geological evaluation of old reports over the Queen Mary Manganese workings indicates **potential for significant tonnage of siliceous ore**. Historical sampling of manganese mineralisation returned assays **in the order of 44% Mn**.
- Significant 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.

The Directors of Eclipse Metals Limited (**"Eclipse Metals"** or the **"Company'**) **(ASX: EPM)** are pleased to announce that the Exploration Permit for Minerals (EPM) applied for in July 2014, located west of the Mary Valley Manganese Project tenements, has been granted.

On 24 July 2014, Eclipse Metals Ltd applied to the Queensland Department of Natural Resources and Mines for an EPM to the west of EPM17672, on the western boundary of the highly prospective historical Eel Creek manganese workings.

The total area of EPM25698 (known as "West Mary Valley Project) is over 30 km^2 with two known historical manganese workings within the project area.

BACKGROUND

Eclipse's Mary Valley Manganese Project is centred about 15 km south of the town of Gympie in southeast Queensland, 138km by road north from Brisbane.

Gympie is a major regional centre and able to provide services and infrastructure support to exploration and mining activities

There has been no systematic modern exploration for manganese deposits within the project area.

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, iron ore, 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.

Historically, discovery of high grade outcropping manganese mineralisation during logging operations led to sporadic periods of **small-scale mining in which limited tonnages of the highest grade ore were extracted.**

Within the three tenements comprising Eclipse's Mary Valley Manganese Project there are **at least twenty two occurrences of known manganese mineralisation**.

QUEEN MARY MANGANESE WORKINGS

Queen Mary manganese workings lie in the northern portion of the exploration licence area with Jerry Creek manganese workings located to the south.

Historically, the exploration permit areas yielded over 210t of high grade direct shipping ore with assays of **43.5% to 44.1% Mn** from mining operations carried out from 1908 to 1910. In the past 50 years little to no geological activity has been recorded over the Queen Mary and Jerry Creek prospects for manganese and there appears to have been no further manganese mining.

Brooks report dated 1962 stated "there are indications of significant tonnage of siliceous ore in the Queen Mary deposit".

Most of the manganiferous horizons consist of manganese-stained or encrusted joint blocks with pockets of marginal metallurgical grade ore. The joint blocks consist of jasper and chalcedonic silica with veins of white quartz. A strike fault occurs on the hanging-wall of the manganiferous horizon. The country rocks are massive, white quartzite and silicified, thick-bedded shales. The beds strike $N20^0W$ and dip 30^0 to 55^0 SW.

Workings consisting of a 12m deep shaft situated 21m SW of a small open-cut and extend over an area 25m long x 15m wide and to a maximum depth of 5m. From the absence of manganese ore on the dump, it is presumed the shaft was probably not sunk deep enough to test possible extensions of the deposit down-dip.

There are indications of a significant tonnage of siliceous ore in this deposit which warrants exploration and evaluation.

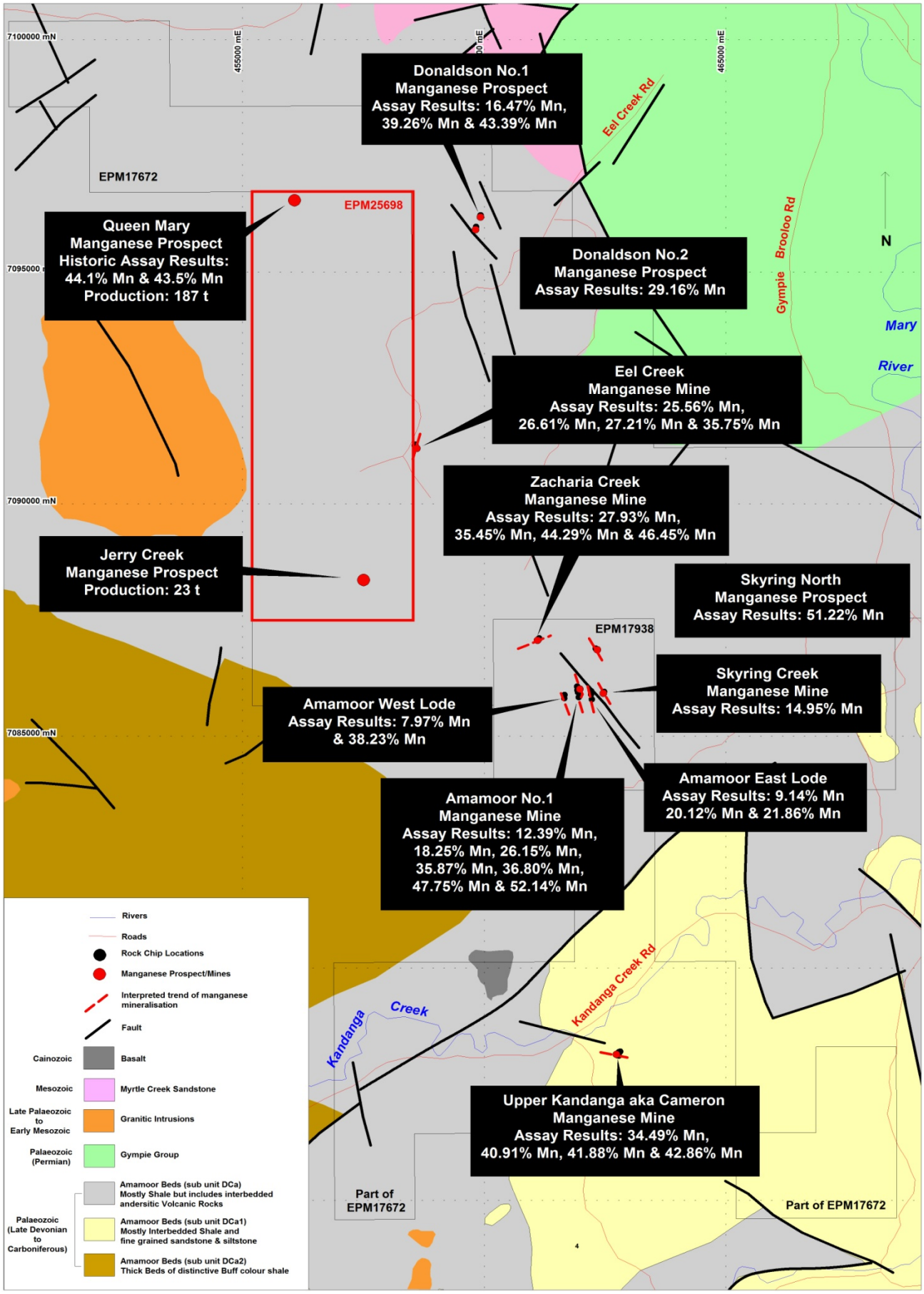

Figure 1: Regional Interpreted Geology Map showing Eclipse sample locations and Mn% with new granted EPM25698 Area (outlined in red boundary)

For and of behalf of the board.

Pedro Kastellorizos
Executive Director

For further information please contact:

Carl Popal
Executive Chairman
T: +61 8 9480 0420

Pedro Kastellorizos
Executive Director
T: +61 8 9480 0420

The information in this report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Mr Peter Spitalny on behalf of Mr Pedro Kastellorizos and Mr Giles Rodney (Rod) Dale, both Directors of Eclipse Metals Limited. Mr Spitalny is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity which he has undertaken to qualify as a Competent Person

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 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 Peter Spitalny consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Company is not aware of any new information or data that materially affects the information in this report and such information is based on the information compiled on behalf of company Geologists, Executive director Mr Pedro Kastellorizos and Non-Executive Director Mr Giles Rodney (Rod) Dale.

References

Brooks, J.H. (1962) Mary Valley Manganese Deposits. Queensland Department of Development and Mines. Geological Survey of Queensland Publication No. 308

Donchak, P.J.T., Purdy, D.J., Withnall, I.W., Blake, P.R. and Jell, P.A. (2013) Chapter 5. New England Orogen in Jell, P.A. (eds) “Geology of Queensland” Geological Survey of Queensland, p305-472

Evans, A.M. (1993) Ore Geology and Industrial Minerals; An Introduction Blackwell Scientific Publications, Oxford, Great Britain

Macandie, A.G. (1959) Manganese ore deposits, Mary Valley Queensland. Broken Hill Proprietary Co. Ltd. Internal Report

Murphy, P.M., Schwarzbock, H., Cranfield, L.C., Rollason, R., Murray, C.G. and Scott, M. (1999) Gympie Special Sheet 9445 Part 9545, 1:100,000 Geological Map Series First Edition 1999 Department of Mines and Energy, Queensland

Ostwald, J. (1992) Mineralogy, paragenesis and genesis of the braunite deposits of the Mary Valley Manganese Belt, Queensland, Australia. Mineralium Deposita 27, p326-335

Scriven, N.H. and Munson, T.J. (2007) Manganese in the sand and Spinifex, Bootu Creek area, Northern Territory. Pdf from nt.gov.au

Smith, K.G. (1959) Mary Valley Manganese Deposits; Report of an inspection, February 1959. Department of National Development, Bureau of Mineral Resources Geology and Geophysics Records 1959/30.