



## **Eclipse Metals Limited**

**ABN 85 142 366 541**

**and its controlled entities**

**Report for the half-year ended  
31 December 2015**

# Corporate directory

## Board of Directors

Mr Carl Popal	Executive Director
Mr Rodney Dale	Non-Executive Director
Mr Craig Hall	Non-Executive Director (Appointed 9 <sup>th</sup> Oct 15)
Mr Pedro Kastellorizos	Executive Director (Resigned 9 <sup>th</sup> Oct 15)

## 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

Australian Security Exchange  
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 2015

### Contents

Directors' report.....	3
Independent auditor's review report.....	9
Auditor's independence declaration.....	11
Directors' declaration.....	12
Consolidated statement of profit or loss and other comprehensive income.....	13
Consolidated statement of financial position.....	14
Consolidated statement of changes in equity.....	15
Consolidated statement of cash flows.....	16
Condensed notes to the consolidated financial statements.....	17

## Directors' report

The directors of Eclipse Metals Limited ("the Company") submit herewith the financial report of Eclipse Metals Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Names of Directors

The names of the directors of the Company during or since the end of the half-year are:

Mr Carl Popal  
 Mr Rodney Dale  
 Mr Craig Hall (Appointed 9<sup>th</sup> Oct 15)  
 Mr Pedro Kastellorizos (Resigned 9<sup>th</sup> Oct 15)

### Review of operations

The loss for the Group for the half-year ended 31 December 2015, after providing for income tax, amounted to \$435,189 compared with a loss of \$145,101 for the half-year ended 31 December 2014.

### Overall Project Summary

Eclipse Metals Limited holds or has applied for an impressive portfolio of 30 exploration licences with an area of 11,154km<sup>2</sup> in the Northern Territory and Queensland. This multi-commodity tenement package includes prospects for manganese, gold, uranium and base metal mineralisation (Refer Map Figure 1).

During the course of the reporting period all projects were assessed for their mineral prospectivity. The Company focused its activities primarily on the Mary Valley Manganese Project in Queensland with an initial examination in April followed by a more detailed geological evaluation commenced in June and completed in July 2015.

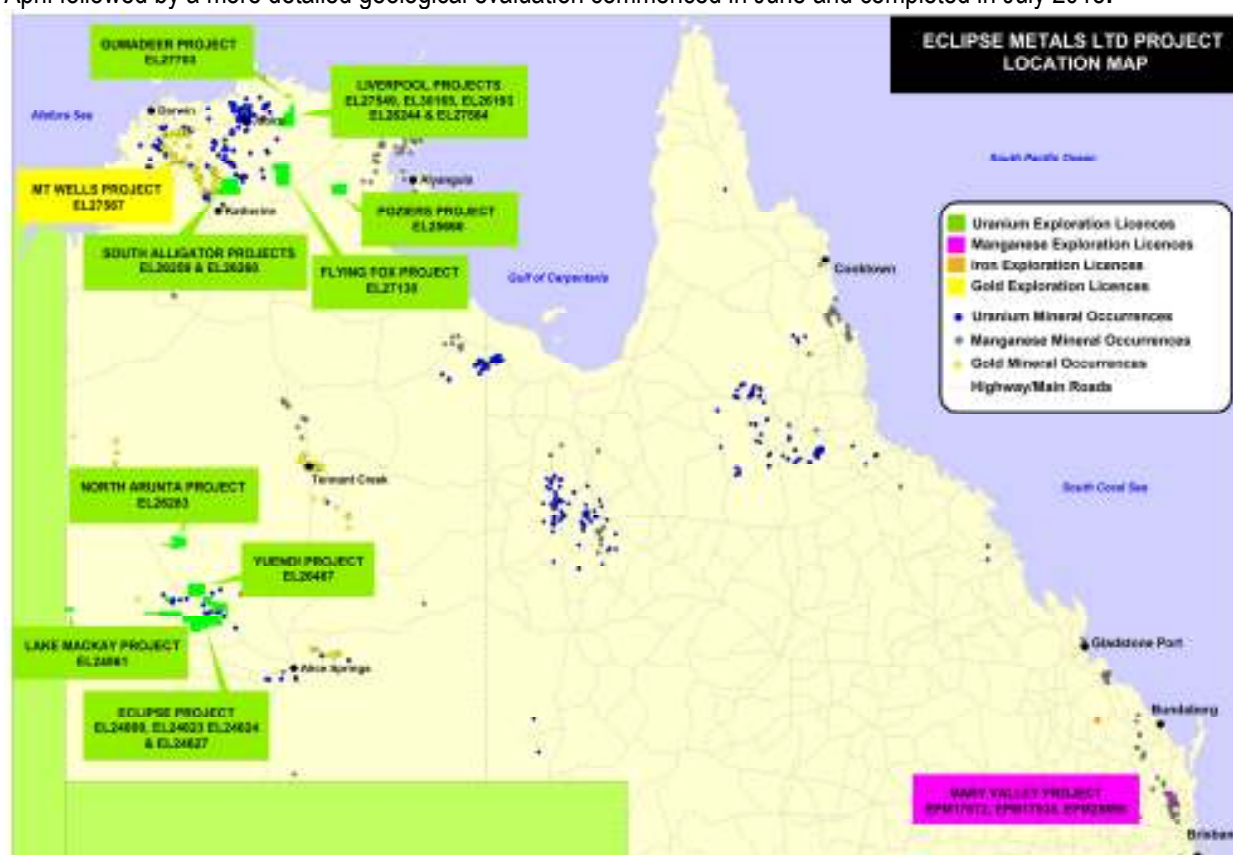


Figure 1 : Eclipse Metals Ltd Project Locations

## HALF YEARLY EXPLORATION ACTIVITIES

### **Liverpool Uranium Project (ELA's 26193, 26244, 27549, 27584 and 30165)**

On 17 September 2015, the Company announced via the ASX that at a meeting with the Northern Land Council (NLC) at Oenpelli in the Northern Territory, it had obtained consent to negotiate with the Traditional Landowners seeking approval for uranium-gold-palladium exploration and potential mining over ELA's 26244 and 27584. This consent will facilitate an exploration agreement to be drafted allowing Eclipse Metals Ltd to commence exploration over the Devil's Elbow Prospect and the surrounding areas. Once the final exploration agreement is reached, the NLC will present all terms and conditions of the agreement to the Traditional Land Owners for final decision during an on-country meeting.

On 27 November 2015, the Directors of Eclipse Metals Limited announced via the ASX acceptance by the Northern Territory Department of Mines & Energy of their application for exploration licence ELA30165 located between the Devil's Elbow uranium-gold-palladium prospect within ELA27584 and ELA's 26193 and 26244 - see Figures 1 and 2.

The new application area of 228 km<sup>2</sup> completes a contiguous block of exploration tenure for Eclipse in the area. Eclipse now has 1,467 km<sup>2</sup> under tenement application in its Liverpool Uranium Project in West Arnhem Land. The Company's Liverpool project area is in the sought after Alligator Rivers Uranium field neighbouring senior uranium explorers such as Rio Tinto and Cameco Australia.

Historical literature assessment over ELA30165 indicates that prospectivity for uranium mineralisation is high. The uranium prospective Ranger Fault is interpreted to traverse the three main tenement applications and is interpreted to intersect several northeast and north trending faults prospective for accumulations of mineralisation.

Background: The Liverpool Uranium project lies approximately 285km east of Darwin and is hosted within the world class Alligator River Uranium Field. The Devil's Elbow Prospect is situated approximately 24km east-southeast of Cameco's Caramel Uranium resource; 41km southeast of the completed Nabarlek Uranium Mine which produced 12,000 tonnes of uranium oxide in 1979 and some 68 km east of the significant Ranger Uranium Mine operated by ERA since 1980.

Further review of historical data has indicated that a projected target zone to the west of Devil's Elbow has not been completely tested by limited historical drilling and remains a potentially significant target for further exploration.

Review of historical exploration activity data on this tenement area is ongoing and will be reported in due course.

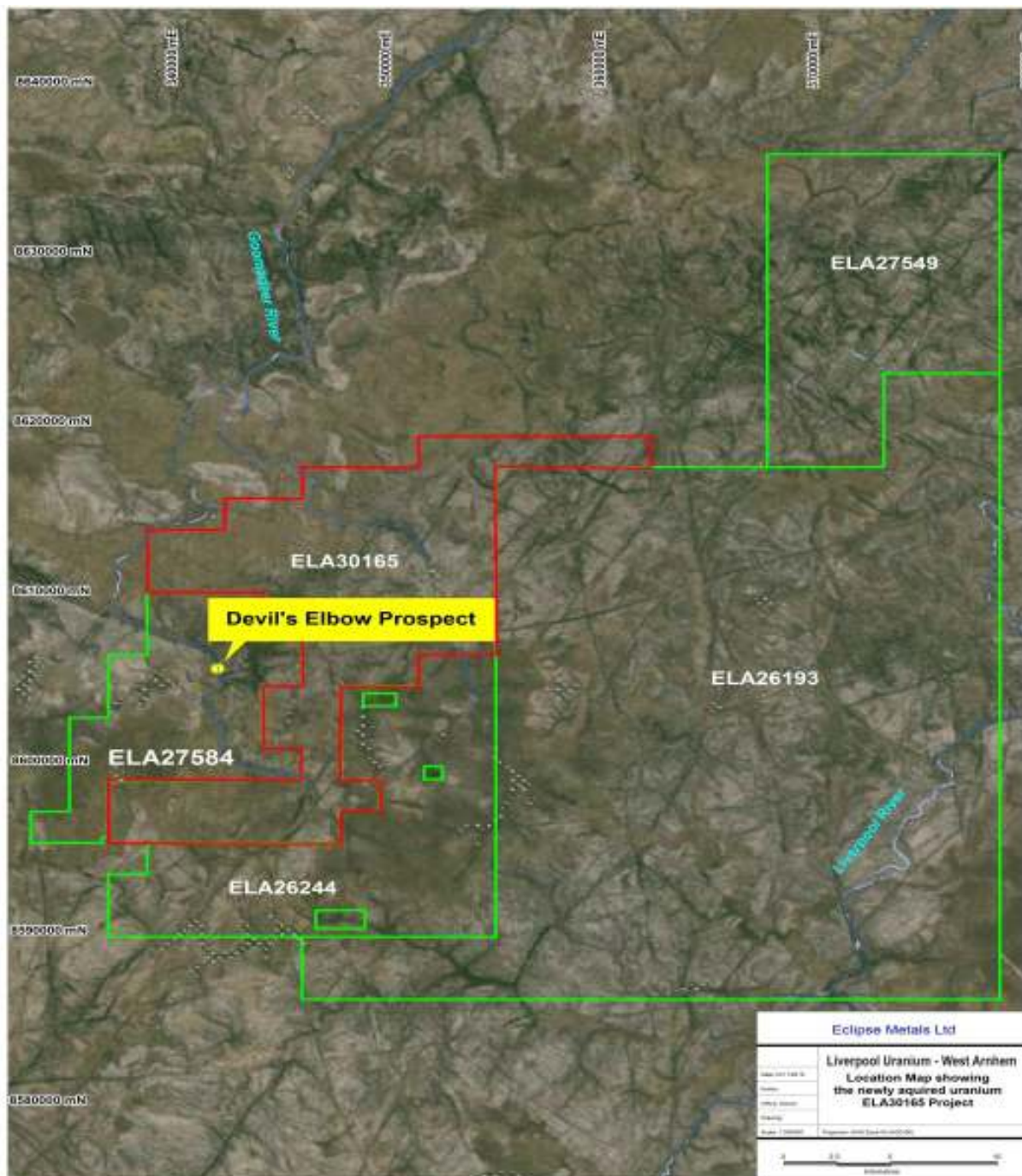
In conjunction with ground exploration activities, the company also participated in a Native Title meeting with Traditional Land owners regarding granting of ELA 24624 and ELA 24627 (Ngalia Basin Projects) to seek approval for uranium exploration. Preliminary feedback from the Traditional Landowners is that approval to conduct uranium exploration can be granted once an Exploration Deed is signed between both parties.

Eclipse Metals Ltd has also scheduled Native Title meetings with Traditional owners over ELA 26284.

### **Mary Valley Manganese Projects (EPM 17672, EPM17938 & EPM 25698)**

No exploration fieldwork was undertaken on the project tenements during the quarter. During a third phase of exploration, samples of manganese mineralisation will be collected from the field for assay and petro-physical studies to determine suitable methods for further geophysical exploration and to facilitate targeting for a proposed RC drilling programme.

Results to-date confirmed the possibility that the Mary Valley Manganese Project has the potential to contain a much larger quantity of manganese mineralisation than apparent from historical production.



**Figure 2 : Liverpool Uranium Project tenements**



**TENEMENT INTERESTS AT THE END OF THE PERIOD****Granted Mining tenements**

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Area	
						Blk	km <sup>2</sup>
EPM 17672	Mary Valley	Manganese	Granted	QLD	Eclipse Metals Ltd	54	167.40
EPM 17938	Amamoor	Manganese	Granted	QLD	Eclipse Metals Ltd	4	12.40
EPM 25698	West Mary Valley	Manganese	Granted	QLD	Eclipse Metals Ltd	10	30.01
EL 24808	Eclipse	Uranium	Granted	NT	Eclipse Metals Ltd	27	85.79
EL 27567	Mt Wells	Gold-Base Metals	Granted	NT	Eclipse Metals Ltd	9	29.99
<b>TOTAL</b>							<b>325.59</b>

**Exploration Licences Application**

Tenement	Project Name	Commodity	Status	Stat	Beneficial Holder	Area	
						Blk	km <sup>2</sup>
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 Pozieres	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 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 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
<b>Total Area</b>							<b>10,828.17</b>

## **Corporate**

The following changes were made to the Board during the half-year ended 31 December 2015:

Mr Pedro Kastellorizos resigned as a director on the 9<sup>th</sup> of October 2015. We thank Mr Kastellorizos for his significant contribution to the Company.

Mr Craig Hall was appointed as a Non-Executive Director on the 9<sup>th</sup> of October 2015.

During the half year ended 31 Dec 2015, Eclipse Metals acquired an additional of 32% holdings in Walla Mines.

## **Principal activities**

The principal activities of the Group during the period was the review of existing tenements, which resulted in the company issuing upgraded reports to Australian Securities Exchange ("ASX") covering its Gold, Manganese and Uranium project areas in Queensland and Northern Territory.



## Auditor's independence declaration

The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included on page 11 and forms part of the directors' report for the half- year ended 31 December 2015.

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

On behalf of the directors



Mr Carl Popal  
Executive Director  
15 March 2016  
Perth, Western Australia

## **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 2015, 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 2015 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 15 March 2016.

*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 2015 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 Going Concern and Capitalised Exploration Costs**

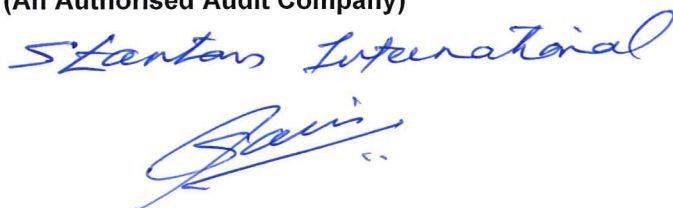
Without qualification to the review conclusion expressed above, attention is drawn to the following matters:

As referred to in note 1 to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2015 the consolidated entity had cash and cash equivalents of \$494,368 and a net working capital of \$285,841. The consolidated entity had incurred a net loss for the period ended 31 December 2015 of \$435,189.

The ability of the consolidated entity to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Company raising further working capital, and/or successfully exploiting its mineral assets. In the event that the Company cannot raise further equity, the Company and consolidated entity may not be able to meet their liabilities as they fall due and the realisable value of the consolidated entity's non-current assets may be significantly less than book value.

The recoverability of the consolidated entity's carrying value of capitalised exploration and acquisition costs of \$2,309,461 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  
15 March 2016

15 March 2016

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 2015, 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 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 2015 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**  
15 March 2016  
Perth, Western Australia

## Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2015

	Note	Consolidated Half-year ended	
		31 Dec 2015 \$	31 Dec 2014 \$
<b>Continuing operations</b>			
Revenue and other income	2	16,974	1,063
Employee benefits expenses and director fees		(125,263)	(151,248)
Consultancy expenses		(26,880)	(5,954)
Professional services expenses		(18,859)	(24,783)
Listing expenses		(8,456)	(20,848)
Travel expenses		(579)	(661)
Administration expenses		(35,280)	(37,670)
Impairment reversal/ (expenses)		(236,389)	95,000
Finance expenses		(457)	-
<b>Loss before income tax</b>		<b>(435,189)</b>	<b>(145,101)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(435,189)</b>	<b>(145,101)</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>(435,189)</b>	<b>(145,101)</b>
<b>Loss attributable to:</b>			
Owners of Eclipse Metals Limited		(417,657)	(144,107)
Non-controlling interests		(17,532)	(994)
<b>Total comprehensive loss attributable to:</b>		<b>(435,189)</b>	<b>(145,101)</b>
Owners of Eclipse Metals Limited		(417,657)	(144,107)
Non-controlling interests		(17,532)	(994)
<b>Loss per share:</b>			
Basic and diluted (cents per share)		(0.07)	(0.03)

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 2015

	Note	Consolidated	
		31 Dec 2015 \$	30 Jun 2015 \$
<b>Current assets</b>			
Cash and cash equivalents		494,368	231,670
Trade and other receivables		63,887	31,941
Prepayments		13,600	2,600
<b>Total current assets</b>		<b>571,855</b>	<b>266,211</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	3	2,309,461	2,531,290
<b>Total non-current assets</b>		<b>2,309,461</b>	<b>2,531,290</b>
<b>Total assets</b>		<b>2,881,316</b>	<b>2,797,501</b>
<b>Current liabilities</b>			
Trade and other payables		256,014	514,430
Shares to be issued		30,000	-
<b>Total current liabilities</b>		<b>286,014</b>	<b>514,430</b>
<b>Total liabilities</b>		<b>286,014</b>	<b>514,430</b>
<b>Net assets</b>		<b>2,595,302</b>	<b>2,283,071</b>
<b>Equity</b>			
Issued capital	4	24,038,201	23,275,781
Reserves		38,950	38,950
Accumulated losses		(21,458,200)	(21,009,592)
Owners of Eclipse Metals Limited		2,618,951	2,305,139
Non-controlling interests		(23,649)	(22,068)
<b>Total equity</b>		<b>2,595,302</b>	<b>2,283,071</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 2015**

			Accumulated losses		Non- controlling interests	
Note	Issued capital	Reserves		Sub-total		Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	<b>22,913,956</b>	<b>38,950</b>	<b>(18,956,832)</b>	<b>3,996,074</b>	<b>25,716</b>	<b>4,021,790</b>
Loss for the period	-	-	(144,107)	(144,107)	(994)	(145,101)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(144,107)</b>	<b>(144,107)</b>	<b>(994)</b>	<b>(145,101)</b>
Issue of ordinary shares	108,750	-	-	108,750	-	108,750
Shares to be issued	150,000	-	-	150,000	-	150,000
Share issue costs	(1,925)	-	-	(1,925)	-	(1,925)
<b>Balance at 31 December 2014</b>	<b>23,170,781</b>	<b>38,950</b>	<b>(19,100,939)</b>	<b>4,108,792</b>	<b>24,722</b>	<b>4,133,514</b>
<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>

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 2015**

	Note	Consolidated Half-year ended	
		31 Dec 2015 \$	31 Dec 2014 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(179,115)	(187,460)
Refund of deposits		-	57,549
Finance Costs		(457)	-
Interest received		598	909
Net cash used in operating activities		(178,974)	(129,002)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation expenditure		(14,560)	(80,312)
Net cash used in investing activities		(14,560)	(80,312)
<b>Cash flows from financing activities</b>			
Proceeds from shares to be issued		30,000	150,000
Proceeds from issuance of shares		430,742	-
Share issue costs		(4,510)	-
Proceeds from sale of own shares		-	90,000
Net cash provided by financing activities		456,232	240,000
<b>Net increase/decrease in cash and cash equivalents</b>		<b>262,698</b>	<b>30,686</b>
Cash and cash equivalents at the beginning of the period		231,670	341,128
<b>Cash and cash equivalents at the end of the period</b>		<b>494,368</b>	<b>371,814</b>

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

## Condensed notes to the consolidate financial statements for the half-year ended 31 December 2015

### 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 2015 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 15 March 2016.

#### a. Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2015 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 2015 the Group incurred a loss of \$435,189 (31 December 2014: loss \$145,101). Based upon the Group's existing cash resources of \$494,368 (30 June 2015: \$231,670), 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 2015 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**

	31 Dec 2015	31 Dec 2014
	\$	\$
Interest income	598	909
Expense reimbursement	-	154
Creditors Written off	16,376	-
	16,974	1,063

**3. Exploration and evaluation expenditure**

	31 Dec 2015	30 Jun 2015
	\$	\$
Balance at beginning of the period	2,531,290	4,059,182
Additions	14,560	209,931
Disposals	-	-
Impairment	(236,389)	(1,737,823)
	2,309,461	2,531,290

**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. Shares**

	31 Dec 2015	30 Jun 2015
	\$	\$
Fully paid ordinary shares (a)	23,190,122	22,427,702
Options Issued	848,079	848,079
	24,038,201	23,275,781

**(a) Fully paid ordinary shares**

	31 Dec 2015		30 Jun 2015	
	No.	\$	No.	\$
Balance at beginning of period	647,106,824	22,427,702	559,856,824	22,065,877
Issued on 8 December 2014 pursuant to AGM resolution passed			36,250,000	108,750
Issued on 12 January 2015 pursuant to Capital Raising			20,000,000	100,000
Issued on 16 January 2015 pursuant to Capital Raising			10,000,000	50,000
Issued on 27 February 2015 pursuant to Capital Raising			8,000,000	40,000
Issued on 6 June 2015 pursuant to Capital Raising			13,000,000	65,000
Issued pursuant to AGM Resolutions passed in Dec 2015	17,000,000	85,000		
Issued pursuant to non-renounceable rights issue	165,860,123	497,580		
Issued pursuant to shortfall	55,883,334	184,350		
Share Issue Costs		(4,510)		(1,925)
	885,850,281	23,190,122	647,106,824	22,427,702

## 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 2015, the Group had a lease agreement with Amberley Business Centre. The lease expired on 5 January 2016 and no replacement office lease agreement has been entered into by the Company as at the date of this half-year report. The company continues to lease on a month to month basis.

### *b. Exploration commitments*

Exploration commitments not longer than one (1) year total \$337,350 and commitments longer than one (1) year and not longer than five (5) years total \$1,076,550. 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 2015 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 (%) <sup>*</sup>	
		31 Dec 2015 Ownership	30 Jun 2015 Ownership
North Minerals Pty Ltd	Australia	100.00	100.00
Central Energy Pty Ltd	Australia	100.00	100.00
Whitvasta 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	55.61
Contour Resources Pty Ltd	Australia	99.48	99.48

<sup>\*</sup> Percentage of voting power is in proportion to ownership.

(i) Direct and indirect percentage owned.

There has been an increase of 32% in ownership of Walla Mines arising from the purchase of shares in Walla Mines as announced on 23<sup>rd</sup> December 2015. Eclipse Metals issued 3,000,000 shares valued at \$0.005 per share for a total consideration of \$15,000 to acquire 11,250,000 shares of Walla Mines.

\$100,000 of goodwill at acquisition of subsidiary has been written off. This is due to the relinquished tenement in Walla Mines.

**10. Subsequent events**

During February 2016, the company issued 12,100,000 of shortfall shares for a consideration of \$60,000. \$30,000 was collected in advance in December 2015 and the remaining \$30,000 was collected in February 2016.

The funds received will be applied to seeking and evaluating new projects/business opportunities as well as providing additional working capital.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.