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ECLIPSE METALS LTD

ABN 85 142 366 541

NOTICE OF 2014 ANNUAL GENERAL MEETING

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TIME: 1:00pm (AWST)

DATE: Thursday, 27 November 2014

PLACE: The Boardroom  
NKH Knight  
Level 2, Spectrum  
100 Railway Road  
SUBIACO WA 6800

**The Annual Report is now available on the Company's website via the following link:**

<http://www.eclipsemetals.com.au/>

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

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## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

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### **VENUE**

The 2014 Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at

- 1.00pm (AWST) on Thursday, 27 November 2014
- The Boardroom  
NKH Knight  
Level 2 Spectrum  
100 Railway Road  
SUBIACO WA 6008

### **YOUR VOTE IS IMPORTANT**

The business of the Annual General Meeting affects your shareholding and your vote is important.

### **VOTING IN PERSON**

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### **VOTING BY PROXY**

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form:

- post to NKH Knight Pty Ltd, PO Box 8281, Subiaco WA 6008; or
- facsimile to NKH Knight Pty Ltd on facsimile number 08 9367 8812 (within Australia) and +61 8 9367 8812 (outside of Australia)

so that it is received not later than 1.00pm (AWST) on Tuesday, 25 November 2014.

**Proxy Forms received later than this time will be invalid.**

### **VOTING ELIGIBILITY**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5.00pm (AWST) on Tuesday, 25 November 2014

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## NOTICE OF 2014 ANNUAL GENERAL MEETING

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Notice is given that the 2014 Annual General Meeting of Eclipse Metals Limited will be held at 1.00 pm (AWST) on Thursday, 27 November 2014 at The Boardroom, at the offices of NKH Knight, Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008.

The Explanatory Memorandum to this Notice of Meeting forms part of the Notice and provides additional information on matters to be considered at the Annual General Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

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## AGENDA

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### Adoption of Annual Financial Report

To receive the Annual Financial Report, including Directors' Declaration and accompanying Reports of the Directors and Auditors for the Financial Year ending 30 June 2014.

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## NON-BINDING Resolution

### 1. Adoption of Remuneration Report

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **non-binding resolution**

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014."*

**VOTING EXCLUSION STATEMENT:** In accordance with Section 250R of the Corporations Act, a vote on Resolution 1 must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

However, a vote may be cast by such person if:

- (a) That person is acting as proxy, the proxy form specifies how the proxy is to vote and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) The person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel

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## ORDINARY Resolutions

### 2. Election of Mr Pedro Kastellorizos as Director

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That, in accordance with clause 7.2(b) of the Company's Constitution and for all other purposes, Mr Pedro Kastellorizos, a Director who was appointed on 3 April 2014 by the Board as an addition to the existing Directors, retires and being eligible, is elected as a Director of the Company."*

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### 3. Approval for the Issue of Shares to a Director in lieu of Director Fees - Mr Rodney Dale

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 approval be given for the issue of fully paid Ordinary Shares in the Company to Mr Rodney Dale or his nominee in lieu of payment of director’s fees, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** *The Company will disregard any votes cast on this Resolution by Mr Rodney Dale and any associates of Mr Rodney Dale. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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#### **4. Approval for the Issue of Shares to a Former Director in lieu of Past Director Fees - Mr Justin Barton**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 approval be given for the issue of fully paid Ordinary Shares in the Company to Mr Justin Barton or his nominee in lieu of payment of past director’s fees, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** *The Company will disregard any votes cast on this Resolution by Mr Justin Barton and any associates of Mr Justin Barton. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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#### **5. Approval for the Issue of Shares to a Director in lieu of Salary - Mr Carl Popal**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“ That, for the purposes of ASX Listing Rule 10.11 approval be given for the issue of fully paid Ordinary Shares in the Company to Mr Carl Popal or his nominee in lieu of payment of salary, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** *The Company will disregard any votes cast on this Resolution by Mr Carl Popal and any associates of Mr Carl Popal. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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#### **6. Approval to Issue Shares for Capital Raising**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 170,000,000 fully paid Ordinary Shares in the capital of the Company at an issue price of not less than 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date the Shares are issued for the purposes and on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** *The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.*

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## **SPECIAL Resolution**

### **7. Approval of 10% Placement Capacity**

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*“That, pursuant to and in accordance with Rule 7.1A of the Listing Rule of ASX Limited and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Rule 7.1A.2 of the Listing Rules for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice.”*

**VOTING EXCLUSION STATEMENT:** *The Company will disregard any votes cast on this Resolution by any person (and any associates of such a person) who may participate in the 10% Placement Capacity and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, or it is cast by the Chairman as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form.*

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### **Questions and comments**

The chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on the management of the company.

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### **By Order of the Board**



**Eryn Kestel**  
**Company Secretary**  
20 October 2014

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## **EXPLANATORY MEMORANDUM**

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This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the 2014 Annual General Meeting of Shareholders to be held on Thursday, 27 November 2014 at 1.00pm (AWST) at The Boardroom, at the offices of NKH Knight, Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008.

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice and is a brief explanation of the matters for which Shareholder approval is sought in each Resolution.

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## **ANNUAL FINANCIAL REPORT**

The first agenda item is to receive the annual report of the Company for the year ended 30 June 2014.

Section 317 of the Corporations Act requires the directors to lay before the Annual General Meeting the financial report, the directors' report (including the Remuneration Report) and the auditor's report for the last financial year that ended 30 June 2014. Those holders that elected to receive a printed copy of the annual report will have received a copy with this Notice.

In accordance with sections 250S and 250SA of the Corporations Act, shareholders present at the Annual General Meeting will be provided with a reasonable opportunity to

- (a) Ask questions or make comment to the Directors' present on the management of the Company and Remuneration Report; and
- (b) ask questions or make comment to the Auditor about the conduct of the audit and the preparation and content of the Auditor's Report.

Shareholders who are unable to attend the Annual General Meeting are able to submit written questions to the Chairman about:

- (a) The preparation and the content of the 2014 Auditor's Report;
- (b) The conduct of the 2014 audit;
- (c) Accounting policies adopted by the Company in relation to the preparation of the 2014 financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the 2014 audit

The questions will need to be submitted no later than five (5) business days (no later than Wednesday, 19 November 2014) before the Annual General Meeting to the Company Secretary at the Company's Registered Office.

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## **RESOLUTION 1 – ADOPTION OF 2014 REMUNERATION REPORT**

In accordance with Section 250R(2) of the Corporations Act at a listed company's Annual General Meeting, the Board is required to table the Company's Remuneration Report to Shareholders for consideration and adoption.

The Directors' Report contains the Remuneration Report which sets out the remuneration policy of the Company and reports the current remuneration arrangements in place for the Non-Executive Directors, Managing Director and Senior Management.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the directors of the Company to the outcome passed. A failure of Shareholders to pass Resolution 1 will not require the directors to alter any of the arrangements in the Remuneration Report.

The Director and Executive Remuneration Act which came into effect on 1 July 2011 provides Shareholders with the opportunity to remove the Board under the two strike rules.

The Remuneration Reports for the last three (3) years **DID NOT** receive a “no” vote of 25% or more when they were tabled at the respective Annual General Meetings.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

**The Chairman intends to exercise all undirected proxies in favour of Resolution 1.** If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the shareholder is considered to have provided the Chairman with an express authorisation to vote the proxy in accordance with the Chairman’s intention.

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## **RESOLUTION 2 – ELECTION OF MR KASTELLORIZOS AS A DIRECTOR**

In accordance with Clause 7.2(b) of the Constitution, the current directors may at any time appoint a person to be a director, either to fill a casual vacancy or as an addition to the existing directors. Any director so appointed holds office only until the next following general meeting and is then eligible for re-election in accordance with clause 7.3(b) of the Constitution.

Mr Pedro Kastellorizos was appointed to the Board by the directors on 3 April 2014 to fulfil the vacancy of Executive Director. In accordance with clause 7.3(b) of the Constitution, Mr Kastellorizos, being eligible, offers himself for re-election as a director of the Company.

Mr Kastellorizos is a geologist with seventeen (17) years of experience in multi-commodity exploration, underground mining, native title negotiations, geological interpretation, corporate management, and tenement trading and administration within Australia and overseas.

Mr Kastellorizos was the founder and Managing Director of ASX listed Genesis Resources Ltd and has held director positions with two other Australian listed companies.

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## **RESOLUTIONS 3 TO 5 – APPROVAL FOR ISSUE OF SHARES TO DIRECTORS - MR DALE, MR BARTON AND MR POPAL**

In recognition of the fact that the Company wishes to utilise as much as possible of its current and future cash resources in the short term to meet working capital requirements and costs associated with its tenement portfolio, each of the Directors have agreed (subject to obtaining Shareholder approval) to accept Shares in lieu of some of their accrued but unpaid remuneration.

The issue of Shares to the Directors is not “additional” payment.

### **Reason for Approval**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX’s opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of Shares to Directors involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The Company is not seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act as the proposed share issues are in lieu of remuneration and that remuneration is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

## Information required by the Listing Rules

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares the subject of Resolution 3:

(a) *Name of related party:*

Mr Rodney Dale.

(b) *The formula for calculating number of securities to be issued:*

Shares to the maximum value of \$13,750.

This amount is the cash payment that has been (or will have been) completely foregone during the period between 1 April 2014 to 30 June 2014 and partly forgone for the period from 1 July 2014 to 27 November 2014 (i.e.; the date of this Annual General Meeting).

(c) *The date by which the Company will issue the securities:*

The Shares will be issued no later than 1 month after the date of the AGM (or such later date to the extent permitted by any ASX waiver).

(d) *The issue price of the securities and the terms of issue:*

The issue price will be the lesser of \$0.005 per Share and the last closing price on ASX for Shares traded prior to the date of issue of the Shares. The Shares will rank equally in all respects with all existing Shares on issue.

(e) *Intended use of funds raised:*

No funds will be raised from the issue of Shares.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares the subject of Resolution 4:

(a) *Name of related party:*

Mr Justin Barton.

(b) *The formula for calculating number of securities to be issued:*

Shares to the maximum value of \$12,500.

This amount is the cash payment that has been (or will have been) completely foregone for the period from 1 June 2014 to 28 October 2014 (i.e.; the date of Mr Barton's resignation).

(c) *The date by which the Company will issue the securities:*

The Shares will be issued no later than 1 month after the date of the AGM (or such later date to the extent permitted by any ASX waiver).

(d) *The issue price of the securities and the terms of issue:*

The issue price will be the lesser of \$0.005 per Share and the last closing price on ASX for Shares traded prior to the date of issue of the Shares. The Shares will rank equally in all respects with all

existing Shares on issue.

(e) *Intended use of funds raised:*

No funds will be raised from the issue of Shares.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares the subject of Resolution 5:

(a) *Name of related party:*

Mr Carl Popal.

(b) *The formula for calculating number of securities to be issued:*

Shares to the maximum value of \$82,500 being the maximum total number of Shares that may be issued to Mr Popal or his nominee pursuant to Item 9 of Section 611 of the Corporations Act.

(c) *The date by which the Company will issue the securities:*

The Shares will be issued no later than 1 month after the date of the AGM (or such later date to the extent permitted by any ASX waiver).

(d) *The issue price of the securities and the terms of issue:*

The issue price will be the lesser of \$0.005 per Share and the last closing price on ASX for Shares traded prior to the date of issue of the Shares. The Shares will rank equally in all respects with all existing Shares on issue.

(e) *Intended use of funds raised:*

No funds will be raised from the issue of Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Shares to the Directors will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

## **RESOLUTION 6 – APPROVAL TO ISSUE SHARES**

Within the third quarter of the 2014-2015 financial year Eclipse Metals Limited will seek to undertake a placement to existing and new sophisticated investors.

The Company is seeing a multitude of well valued opportunities from both its existing assets and potential new investments. The funds raised will assist Eclipse to take advantage of these opportunities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The Company is seeking approval under this Listing Rule for the proposed offer of up to 170,000,000 fully paid Ordinary Shares to allow this number of Shares not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

The effect of Resolution 6 will be to allow the Company to issue the Shares pursuant to the placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) The maximum number of Shares to be issued is 170,000,000;
- (b) The Shares will be issued no later than 3 months after shareholder approval (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of ASX Listing Rule 7.3.2);
- (c) The Shares will be issued at a price of not less than 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date the Shares are issued;
- (d) The Shares will be issued to sophisticated and professional investors. None of these subscribers will be related parties of the Company and it is intended that the issue will occur on the one day;
- (e) The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) The Company intends to use the funds raised from the issue of the Shares to provide working capital and to advance its existing projects and potential new investments;
- (g) The Shares will be issued progressively as the placement funds are received;
- (h) A voting exclusion statement is included in the Notice.

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### **RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY**

#### **ASX Listing Rule 7.1A**

Resolution 7 seeks shareholder approval in accordance with ASX Listing Rule 7.1A.

ASX Listing Rule 7.1A allows an "Eligible Entity" to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (10% Placement Capacity). The 10% Placement Capacity is in addition to the Company's 15% Placement Capacity under ASX Listing Rule 7.1.

The ability to issue Securities under Listing Rule 7.1A.1 must be sought by a Company each year at the Annual General Meeting. Like the 15% Placement Capacity under Listing Rule 7.1; the approval is not cumulative and must be refreshed through shareholder approval.

#### **Conditions of Approval**

Approval under Listing Rule 7.1A is subject to the following terms:

1. Subject to shareholder approval by way of a special resolution (requires approval of 75% of the votes cast by Shareholders present and eligible to vote in person or by proxy) at an annual general meeting; and
2. The Company preparing the Resolution must qualify as an eligible entity. A Company is an eligible entity if it is outside the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

Eclipse Metals Limited is an Eligible Entity and therefore can proceed with the Resolution.

#### **Equity Securities**

Any Equity Security issued under Listing Rule 7.1A must be in the same class as an existing quoted class of equity securities of the Company.

As at the date of this Notice, Eclipse has one (1) class of quoted equity security – Ordinary Shares (ASX Code: EPM), so in accordance with this requirement, Eclipse can only issue Ordinary Shares in accordance with Listing Rule 7.1A.

**Number of Shares that can be issued under 10% Placement Capacity**

At the date of this Notice, the Company has on issue 559,856,824 Shares and therefore has a capacity to issue 55,985,682 Equity Securities under the Company's 10% Placement Capacity under Listing Rule 7.1A; subject to shareholder approval being sought under Resolution 7.

Eclipse sought Shareholder approval for the 10% placement capacity at the 2013 Annual General Meeting; which was subsequently ratified but as at the date of preparing this Notice of Meeting the Company had not issued any Shares under the 10% Placement Capacity.

**Issue Price**

The price at which the Equity Securities may be issued under Listing Rule 7.1A.3 must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the fifteen (15) Trading Days immediately before:

- (a) The date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) If the Equity Securities are not issued within five (5) Trading Days of the date mentioned in paragraph (a) above, the date on which the Equity Securities are issued.

**Date of Issue**

The date by which the Equity Securities may be issued pursuant to ASX Listing 7.1A.1 is the earlier of:

- (a) 12 months after the date of the 2014 Annual General Meeting (26 November 2015); and
- (b) The date of approval by shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking)

If a Company plans on a 11.1.2 or 11.2 transaction then they are not able to seek approval under Listing Rule 7.1A – Eclipse is not planning on either transaction during the next twelve (12) months.

**Risks associated with an Issue under ASX Listing Rule 7.1A**

Any issue of Equity Securities under ASX Listing Rule 7.1A will dilute the interests of shareholders who do not receive any of the issued Shares.

Listing Rule 7.3A.2 requires the Company to provide a table demonstrating the potential dilution effect based on three (3) different assumed prices of the Company's Shares and three (3) different numbers of Shares on issue in the Company.

If Resolution 7 is approved by shareholders and the Company issues the maximum number of Equity Securities available under ASX Listing Rule 7.1A, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2) on the basis of the current market price of Shares and the current number of Shares on issue.

The table also shows the affect if the current number of Shares on issue is increased by 50% and 100% and where the issue price has decreased by 50% and increased by 100% as against the current market price.

Shares on Issue		Dilution		
		\$0.0015 50% decrease in Issue Price	\$0.003 Current Share Price	\$0.006 100% increase in Issue Price
Current 559,856,824	10% Voting Dilution	55,985,682	55,985,682	55,985,682

Shares		Shares	Shares	Shares
	<b>Funds raised</b>	\$83,978	\$167,957	\$335,914
<b>50% increase</b> 839,785,236 Shares	<b>10% Voting Dilution</b>	83,978,524 Shares	83,978,524 Shares	83,978,524 Shares
	<b>Funds raised</b>	\$125,968	\$251,936	\$533,871
<b>100% increase</b> 1,119,713,648 Shares*	<b>10% Voting Dilution</b>	111,971,365 Shares	111,971,365 Shares	111,971,364 Shares
	<b>Funds raised</b>	\$167,957	\$335,914	\$671,828

\* The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue or shares issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1

The following assumptions were made when preparing the above table:

1. There are currently 559,856,824 Shares on issue as at the date of this Notice of Meeting;
2. The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
3. The Company has not issued any Shares in the 12 months prior to this Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1;
4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
5. The table does not show the dilution affect that may be caused to a particular Shareholder;
6. The table only shows the effect of issues of Equity Securities under Listing Rule 7.1A not under the 15% Placement Capacity under Listing Rule 7.1;
7. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculation the voting dilution effect on existing Shareholders; and
8. The issue price of \$0.003 is the closing price of the Shares on the ASX as at 10 October 2014.

Shareholders should note that there is a risk that:

- (a) The market price for the Company's Shares may be significantly lower on the date of the issue than on the date of the Meeting; and
- (b) The Shares may be issued at a price that is at a discount to the market price for the Shares on the date of issue.

#### **Purpose of Issue under ASX Listing Rule 7.1A**

The Company may issue Equity Securities under ASX Listing Rule 7.1A for the following purposes:

1. Continued exploration on its current Mary Valley Manganese Project 15 km south of Gympie in southeast Queensland; with activities which could include:
  - (a) Rock-chip sampling;
  - (b) On the ground excavation;
  - (c) Continued exploration including on the ground excavation
2. Exploration and development activities as well as mine refurbishment on new exploration ground located west of the existing Mary Valley Manganese;
3. Development costs associated with any new mineral projects acquired by the Company during the period ahead;
4. Potential acquisition of new resource assets and investments by either or both of the following:
  - (a) Cash consideration; and
  - (b) Non-cash consideration, if this was the purpose; the Company would provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
5. For ongoing future working capital purposes

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**Company's Allocation Policy under ASX Listing Rule 7.1A**

The Company's allocation policy for issues under Listing Rule 7.1A may include a placement to select existing Shareholders, a corner stone investor or several "new" professional/sophisticated investors not currently on the Company's register and this will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity.

The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (a) The purpose of the issue;
- (b) The methods of raising funds that are available to the Company including but not limited to, rights issue or other issue in which existing Shareholders can participate;
- (c) The effect of the issue of the Equity Securities on the control of the Company;
- (d) The financial situation and solvency of the Company; and
- (e) Advice from corporate, financial and broking advisors

The allottees under the 10% Placement Capacity are not known as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

If the Company is successful in acquiring new resource assets or investments, it is likely that the allottees under the 10% Placement Capacity will be the vendors of the new resource assets or investments.

A Voting Exclusion Statement applies in relation to Resolution 7. As at the date of this Notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing shareholder to participate in the issue of the Equity Securities. No existing shareholder's votes will therefore be excluded under the Voting Exclusion in the Notice.

**Previous Approval under ASX Listing Rule 7.1A**

Eclipse previously obtained approval from its Shareholders at the 2013 Annual General Meeting pursuant to ASX Listing 7.1A.

During the 12 month preceding the date of 2014 Annual General Meeting, Eclipse has not issued any Securities under ASX Listing Rule 7.1A but has issued 28,750,000 Shares ; which represents approximately 5.14% of the total diluted number of Equity Securities on issue at that time which was 559,856,824.

Further details of the issues of Equity Securities by Eclipse during the 12 month period preceding the date of the Annual General Meeting are set out in Schedule 1.

**SCHEDULE 1 – ISSUE OF EQUITY SECURITIES SINCE 29 NOVEMBER 2013**

Date of Issue	Number of Securities Issued	Security Class	Issue Price	Discount to Market Price	Form of Consideration	Persons Receiving Securities
<b>ISSUE 1</b>						
27 Dec 2013	18,000,000	Ordinary Shares	\$0.005	Nil	Non-Cash	Mr Carl Popal
<b>Purpose of Issue:</b> Shares to Executive Chairman in lieu of outstanding salary from 19 March 2013 to 30 November 2013 as approved by Shareholders at the Company's 2013 Annual General Meeting held on 29 November 2013.						
<b>ISSUE 2</b>						
27 Dec 2013	1,500,000	Ordinary Shares	\$0.005	Nil	Non-Cash	Mr Rodney Dale
<b>Purpose of Issue:</b> Shares to Non-Executive Director in lieu of fees as approved by Shareholders at the Company's 2013 Annual General Meeting held on 29 November 2013.						
<b>Current Value:</b> \$4,500 (1,500,000 Shares at current price of \$0.003)						
<b>ISSUE 3</b>						
27 Dec 2013	3,000,000	Ordinary Shares	\$0.005	Nil	Non-Cash	Mr David Sanders
<b>Purpose of Issue:</b> Shares to Non-Executive Director in lieu of fees as approved by Shareholders at the Company's 2013 Annual General Meeting held on 29 November 2013.						
<b>ISSUE 4</b>						
27 Dec 2013	6,250,000	Ordinary Shares	\$0.005	Nil	Non-Cash	Lawfirst Pty Ltd trading as Bennett + Co
<b>Purpose of Issue:</b> Payment of outstanding legal fees.						

## GLOSSARY

**\$** means Australian dollars

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice of Meeting.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited or the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**AWST** means Western Standard Time as observed in Perth, Western Australia.

**Board** means the current board of directors of the Company.

**Business Days** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means Eclipse Metals Limited (ABN: 85 142 366 541).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director means** Executive Director or Managing Director and Non-Executive Directors.

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice of Meeting.

**Key Management Personnel** is defined by AASB 124 Related Party disclosures as all directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Memorandum.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

**Resolutions** means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**APPOINTMENT OF PROXY  
ECLIPSE METALS LTD  
ACN 142 366 541**

**ANNUAL GENERAL MEETING PROXY FORM**

**Member Details**

Name: .....  
Address: .....  
Contact Telephone No: .....

**Appointment of Proxy**

I/We being a Member/s of Eclipse Metals Ltd and entitled to attend and vote hereby appoint

Chairman of the Meeting    **OR**   

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Annual General Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Eclipse Metals Ltd to be held at the office of NKH Knight, Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008 on Thursday, 27 November 2014 , at 1.00pm (WST) and at any adjournment of that meeting.

**Chairman authorised to exercise proxies on remuneration related matters:** If I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolution 1 even though the Chairman is, and that item is connected directly or indirectly with the remuneration of, a member of key management personnel of Eclipse Metals Ltd, which includes the Chairman.

**Chairman to vote undirected proxies in favour:** I/we acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions.

	For	Against	Abstain
<b>Non-Binding Resolution</b>			
Resolution 1.      Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Ordinary Resolutions</b>			
Resolution 2.      Re-Election of Mr Pedro Kastellorizos as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.      Approval to Issue Shares to a Director in lieu of Director Fees - Mr Rodney Dale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.      Approval to Issue Shares to a Director in lieu of Director Fees - Mr Justin Barton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5.      Approval to Issue Shares to a Director in lieu of Salary - Mr Carl Popal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.      Approval to Issue Shares for Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Special Resolution</b>			
Resolution 7      Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please Note: By marking the Abstain box for any of the Resolution 1 to 7 you are directing the proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

PLEASE SIGN HERE

Individual or Member 1 <input style="width: 100%; height: 20px;" type="text"/> Sole Director and Sole Company Secretary	Member 2 <input style="width: 100%; height: 20px;" type="text"/> Director	Member 3 <input style="width: 100%; height: 20px;" type="text"/> Director/Company Secretary
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**ECLIPSE METALS LTD  
ACN 142 366 541**

**INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM**

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00pm (AWST) on Tuesday, 25 November 2014.

1. **Appointing a Proxy:** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).

3. **New sections 250BB and 250BC of the Corporations Act:** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
  - if proxy holders vote, they must cast all directed proxies as directed; and
  - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

**Proxy vote if appointment specifies way to vote** Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

**ECLIPSE METALS LTD  
ACN 142 366 541**

**INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM**

**Transfer of non-chair proxy to chair in certain circumstances** Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. **Signing Instructions:**

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

5. **Attending the Meeting:** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

6. **Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

In person      NKH Pty Ltd  
                         Level 2, Spectrum  
                         100 Railway Road  
                         SUBIACO WA 6008

By mail            NKH Pty Ltd  
                         PO Box 8281  
                         SUBIACO WA 6008

By fax             +61 8 9367 8812

so that it is received not later than 1.00pm (AWST) on Tuesday, 25 November 2014. **Proxy Forms received later than this time will be invalid.**

**Eclipse Metals Ltd  
ACN 142 366 541**

**Corporate Representative Form**

**Shareholder Details**

This is to certify that by a resolution of the directors of:

\_\_\_\_\_ ACN \_\_\_\_\_  
(Insert Company Name)

\_\_\_\_\_  
(Insert Address)

The Company has appointed:

\_\_\_\_\_  
(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the Annual General Meeting of shareholders of Eclipse Metals Ltd ACN 142 366 541 to be held on Thursday, 27 November 2014 at 1.00pm and at any adjournment or postponement of the Annual General Meeting, or any meeting arising from the Annual General Meeting.

Dated this      day of              2014

Executed by

ACN  
in accordance with section 127 of the *Corporations Act*  
2001:

.....  
Director

.....  
Director/Secretary

.....  
Name of Authorised Representative

.....  
Signed by Authorised Representative

**Lodging your corporate representative form**

To be valid, your corporate representative form (and any power of attorney under which it is signed) must be received no later than 1.00pm (WST) on Tuesday, 25 November 2014 at any one of the above addresses.