

Activities Report and Appendix 5B for the Quarter ending 31 December 2016

MARY VALLEY PROJECT – GEOPHYSICAL SURVEYS

During November and December 2016, further exploration was conducted on the Eclipse Metals Mary Valley manganese project area in Queensland (Figure 1), using innovative geophysical survey methods on advanced prospects selected through initial geological evaluation. Based on preliminary results, further geophysical surveys are scheduled to be carried out in January and February 2017.

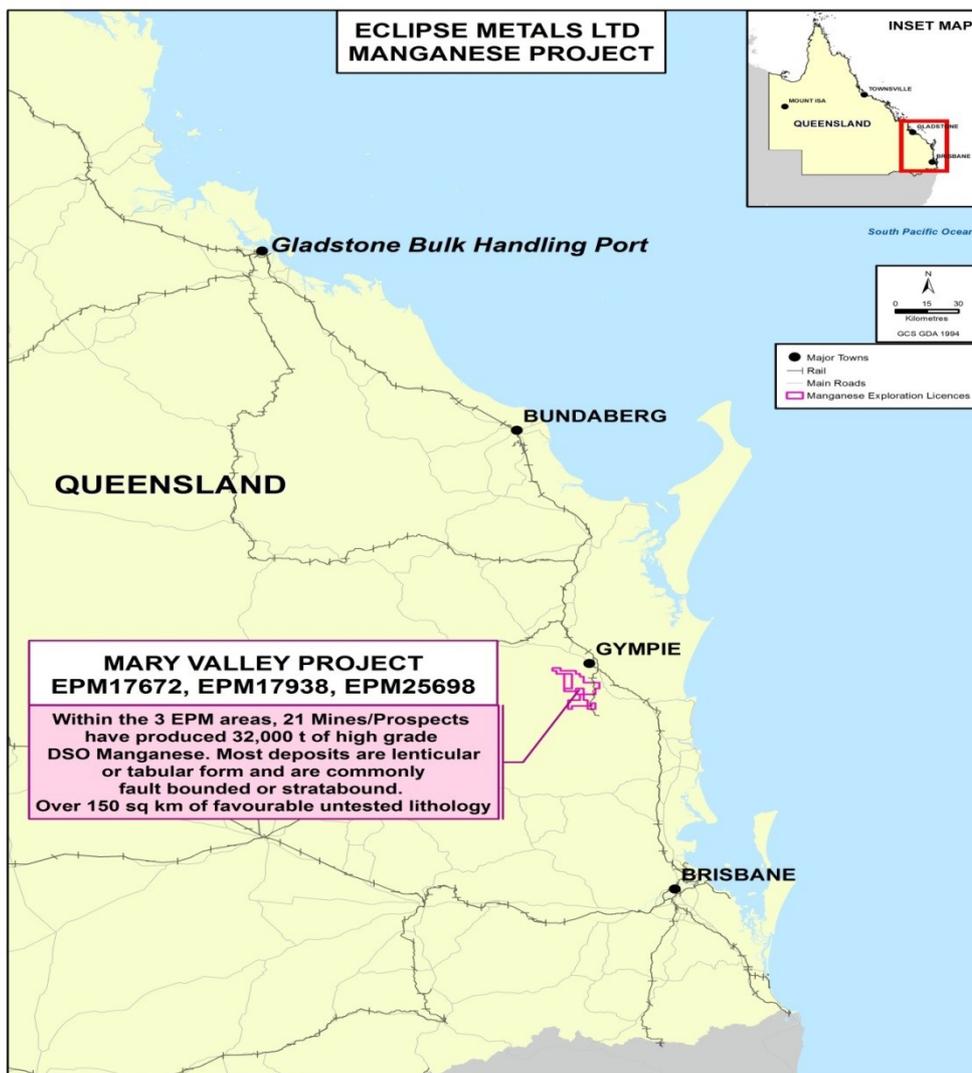


Figure 1 Location of Mary Valley Project tenements

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 uranium, gold, manganese and base metals. Eclipse Metals holds a portfolio of over 11,300km² in over 20 exploration licence areas in the Northern Territory and Queensland. 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.

ASX CODE
EPM

BOARD

Carl Popal
Executive Chairman

Rodney Dale
Non-Executive Director

Craig Hall
Non-Executive Director

COMPANY SECRETARY

Eryn Kestel

REGISTERED OFFICE

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Phone: + 61 8 9480 0420
Fax: + 61 8 9321 0320

AUSTRALIAN BUSINESS NUMBER

85 142 366 541

SHARE REGISTRY

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Applecross WA 6153

WEBSITE

www.eclipsemetals.com.au

The Amamoor, Upper Kandanga and Eel Creek historical mines and surrounding areas (locations in Figure 2) were surveyed using detailed geophysical gravity and passive seismic methods. These surveys were conducted to evaluate the resource potential of projected extensions to known high grade manganese mineralisation, previously observed and sampled during two periods of geological fieldwork (for Amamoor refer Figures 3 and 4 and Upper Kandanga Figure 5). These prospects were previously worked as high grade mines and the company considers that further mineralisation with potential for production of direct shipping ore (DSO) products can be developed in these old mining areas.

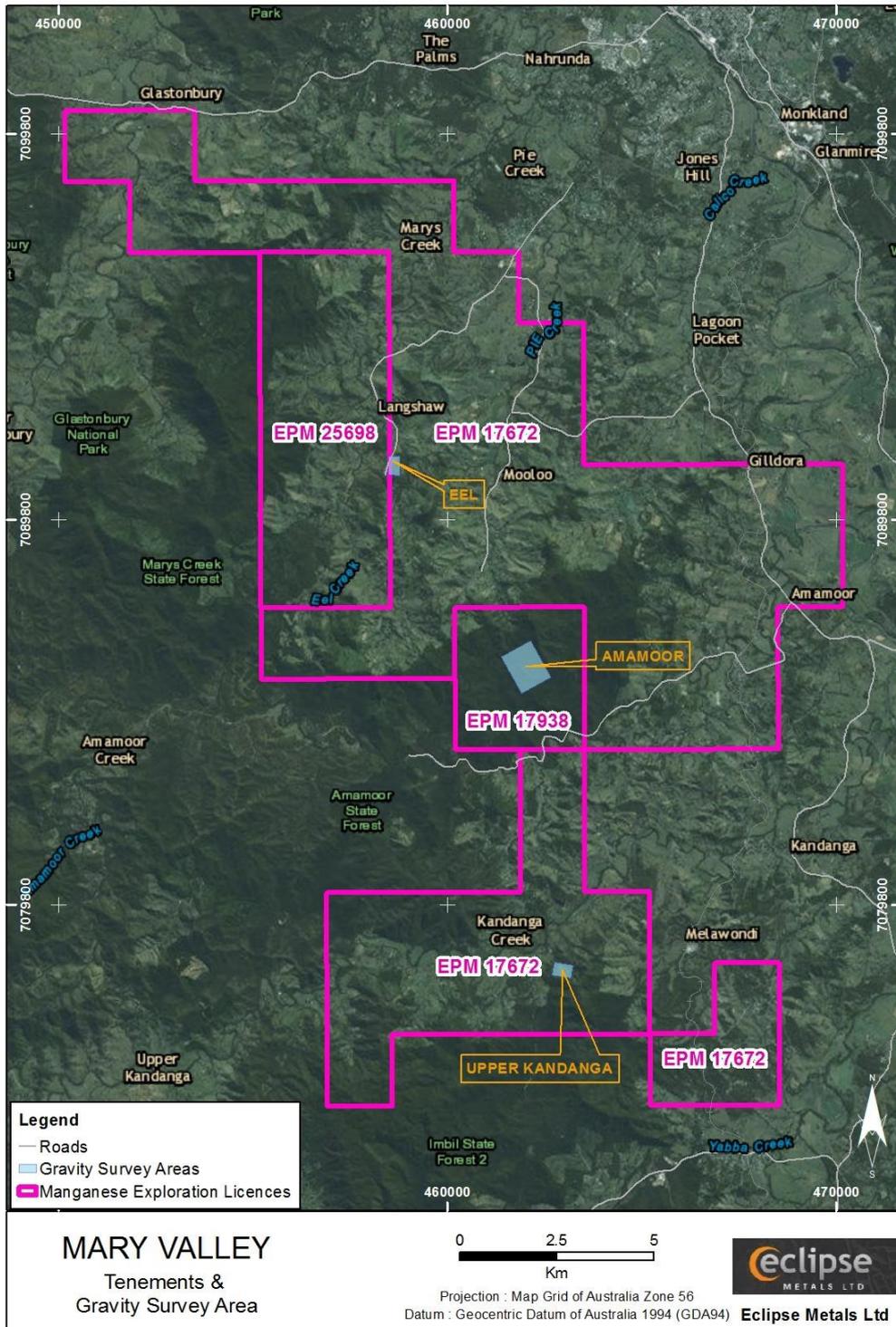


Figure 2 Location of main prospects in Mary Valley tenements

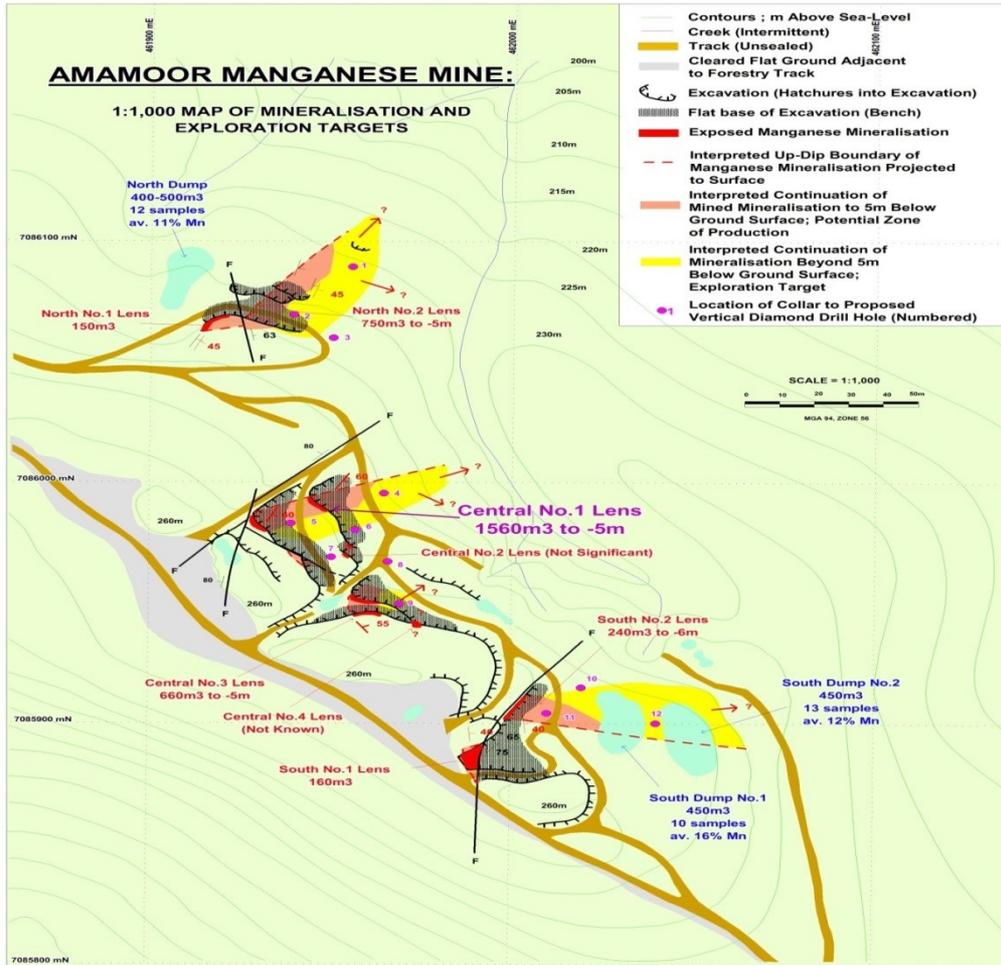


Figure 3 Geological map of historical Amamoor Manganese Mine

Preliminary geophysical results indicate there is potential for significant extension of mineralisation in the Amamoor and Eel Creek prospects and further work is scheduled for late January to confirm this potential. Initial data from all surveys is presently being collated and will be interpreted upon receipt of data from the currently scheduled programme.

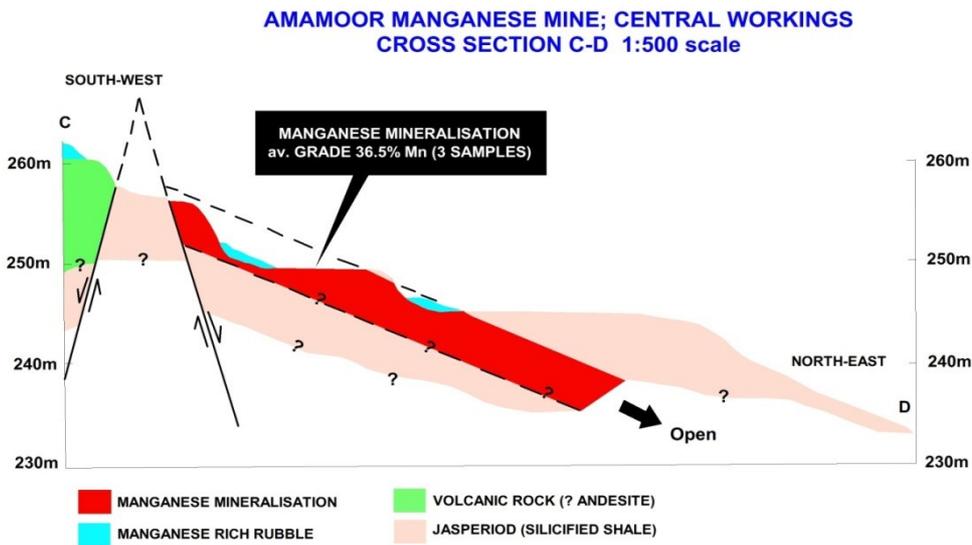


Figure 4 Typical cross section of historical Amamoor mine-site

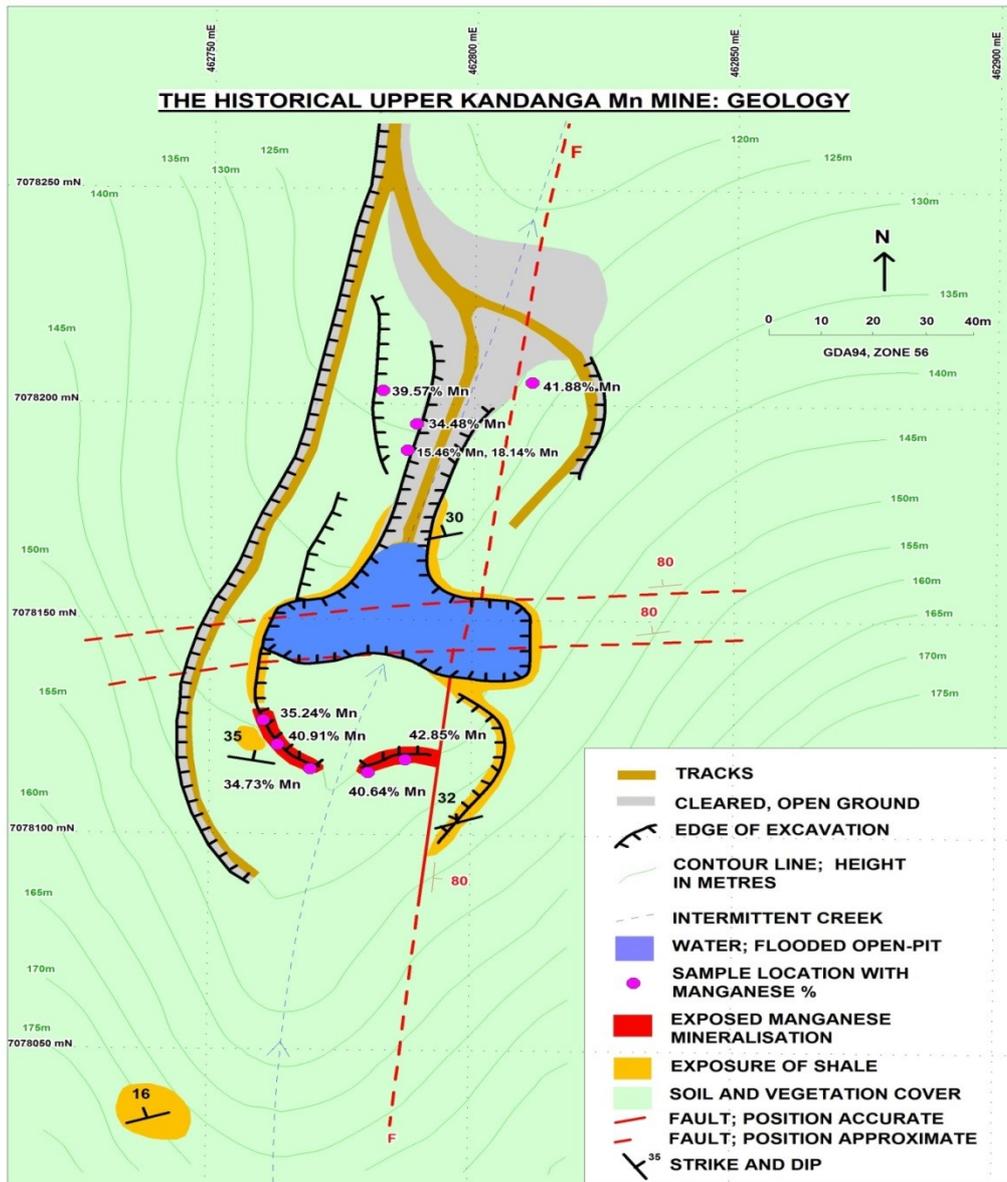


Figure 5 Upper Kandanga historical mine workings

CORPORATE

During the quarter the company showcased its projects to the Low Emission and Technology Minerals Conference. The company was represented and a presentation made to investors by company directors.

Several presentations were made during the quarter to local brokers and international sophisticated investors.

Competent Person 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 Rodney Dale, a Non-Executive Director of Eclipse Metals Limited. Mr Dale is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

ECLIPSE METALS TENEMENT INTERESTS**Granted Tenements**

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Gratic Blk
EL 24808	Bigrlyi	Uranium	Granted	NT	Eclipse Metals Ltd	27
EL 27567	Mt Wells	Gold, Base-metals	Granted	NT	Eclipse Metals Ltd	5
EPM 17672	Mary Valley	Manganese	Granted	Qld	Eclipse Metals Ltd	54
EPM 17938	Amamoor	Manganese	Granted	Qld	Eclipse Metals Ltd	4
EPM 25698	West Mary Valley	Manganese	Granted	Qld	Eclipse Metals Ltd	10

Tenement Applications

Tenement	Project Name	Commodity	Status	State	Beneficial Holder	Gratic Blk
ELA 24623	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	305
ELA 24624	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	476
ELA 24627	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	500
ELA 24861	Lake Mackay	Uranium	Application	NT	Eclipse Metals Ltd	50
ELA 25666	Mt Pozieres	Uranium	Application	NT	Eclipse Metals Ltd	229
ELA 26193	Liverpool 1	Uranium	Application	NT	Eclipse Metals Ltd	240
ELA 26244	Liverpool 2	Uranium	Application	NT	Eclipse Metals Ltd	50
ELA 26259	South Alligator 1	Uranium	Application	NT	Eclipse Metals Ltd	202
ELA 26260	South Alligator 2	Uranium	Application	NT	Eclipse Metals Ltd	274
ELA 26283	Mt Theo	Uranium	Application	NT	Eclipse Metals Ltd	260
ELA 26487	Yuendi	Copper, Uranium	Application	NT	Eclipse Metals Ltd	320
ELA 27130	Flying Fox	Uranium	Application	NT	Eclipse Metals Ltd	482
ELA 27549	Liverpool 3	Uranium	Application	NT	Eclipse Metals Ltd	51
ELA 27584	Devil's Elbow	Uranium	Application	NT	Eclipse Metals Ltd	30
ELA 27703	Gumadeer	Uranium	Application	NT	Eclipse Metals Ltd	3
ELA 31065	Liverpool 4	Uranium	Application	NT	Eclipse Metals Ltd	68

Mining Tenements Acquired and Disposed during the December 2016 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the December 2016 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the December 2016 Quarter

Nil

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ECLIPSE METALS LIMITED

ABN

85 142 366 541

Quarter ended ("current quarter")

DECEMBER 16

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(17)	(49)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(84)	(160)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	45	45
1.8 Other (BAS Refund)	-	8
1.9 Net cash from / (used in) operating activities	(55)	(154)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	96
3.2 Proceeds from convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(2)
3.5 Proceeds from borrowings	-	120
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	214

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	546	431
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(55)	(154)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	214
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	491	491

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	491	546
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	491	546

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	21
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	95
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	295

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Date: 31 January 2017

Print name: **Carl Popal**
Director

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.