

Activities Report and Appendix 5B for the June 2018 Quarter

HIGHLIGHTS

- **320.7m of Diamond Drilling completed on Mary Valley Manganese Project**
- **High grade intersections of 59.8% MnO over 3.2m, 5.9% MnO over 6m and 20.9% MnO over 3.4m from diamond core drilling at Amamoor**
- **Further surface samples of high grade manganese mineralization found which with 8.6m of 7.0% MnO in drill hole in SE gravity anomaly extend the prospective area**
- **Board Changes**

QUEENSLAND – MARY VALLEY MANGANESE PROJECT

AMAMOOR

In this part of the Amamoor State Forest on a steep sided ridge, the original forest has been invaded by exotic weeds and undergrowth. Large sections of the forest have been cleared and replaced with plantations of hoop pine. Access was gained via existing forestry tracks and by clearing exotic weeds from previously excavated tracks and mining benches.

Geological and sample analytical results from the diamond drilled core together with progressively re-modelled geophysical data is being used to better understand the depositional structure of manganese mineralisation to facilitate design of follow-up exploration.

Follow-up programs are expected to include more detailed gravity and possibly induced polarisation (IP) surveys to better define drill targets.

EEL CREEK

Following collation and evaluation of all results from geophysical surveys and diamond drilling further exploration will be deferred for the immediate future.

FUTURE EXPLORATION

Evaluation of results from the recent drilling program and further geological and geophysical assessment is ongoing. The next phase of exploration, include further drilling at Amamoor, targeting high grade mineralisation down-dip and along strike from these shallow intersections, is being planned.

Other manganese prospects will be progressively evaluated. The Company is assessing new technology that may be suitable for quick extensional exploration for the manganese horizons at depth.

Eclipse Metals Ltd is an Australian exploration company focused on exploring the Northern Territory and Queensland for multi commodity mineralisation. The company has an impressive portfolio of assets prospective for gold, manganese, base metals and uranium mineralisation. The Company's mission is to increase Shareholder wealth through capital growth and ultimately, dividends. Eclipse plans to achieve this goal by exploring for and developing viable mineral deposits to generate mining or joint venture income.

BOARD

Rodney Dale
Non-Executive Chairman

Carl Popal
Non-Executive Director

Craig Hall
Non-Executive Director

Ibrar Idrees
Non-Executive Director

COMPANY SECRETARY

Eryn Kestel

REGISTERED OFFICE

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AUSTRALIAN BUSINESS NUMBER

85 142 366 541

SHARE REGISTRY

Security Transfer Registrars
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ASX CODE

EPM

WEBSITE

www.eclipsemetals.com.au

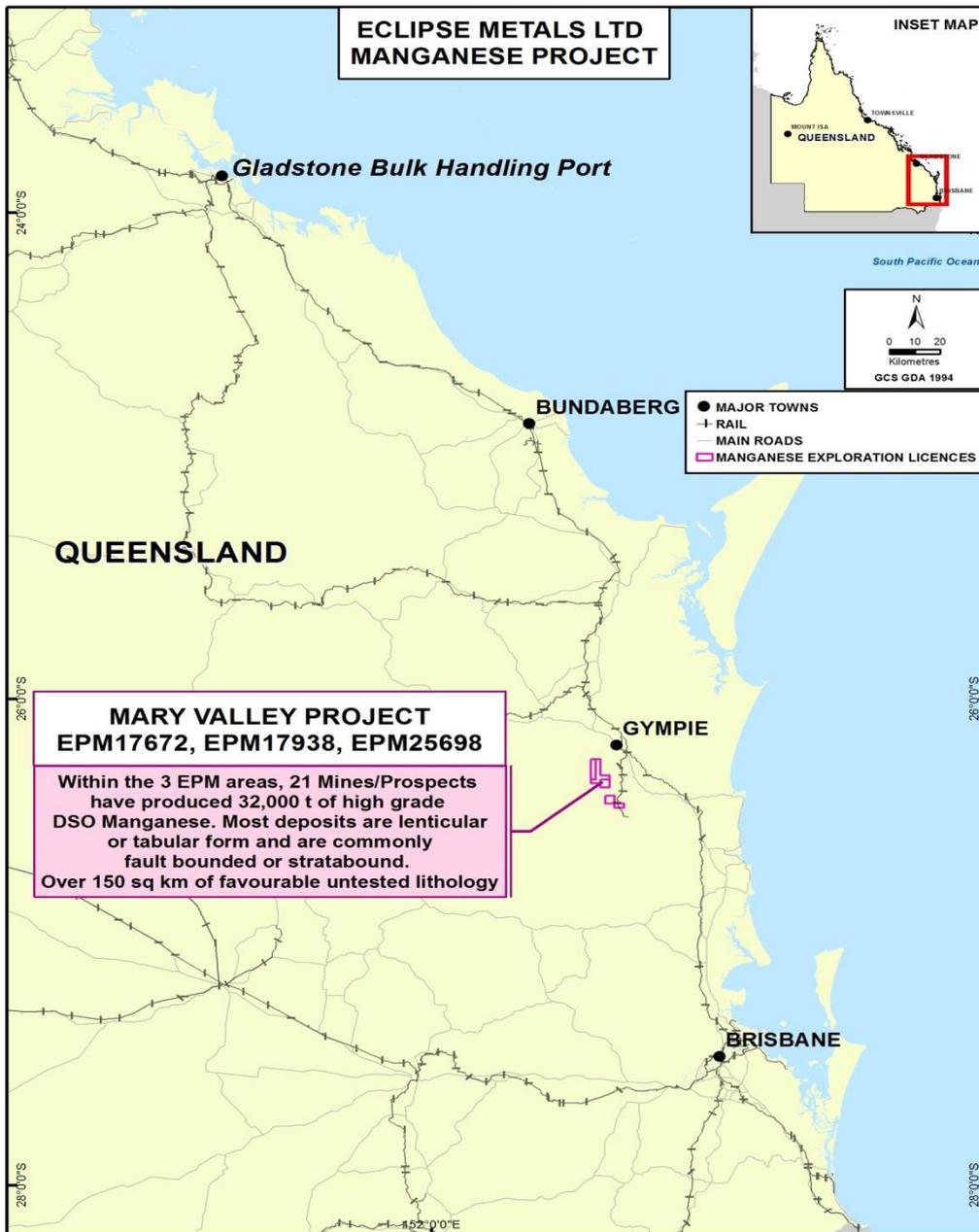


Figure 1 Location Plan for Eclipse’s Mary Valley Manganese Project

MARY VALLEY TENEMENTS

In the light of recent exploration and reconnaissance evaluation of outlying areas, the Company is evaluating its tenement area with a view to relinquishing some sections to contain costs and future commitments.

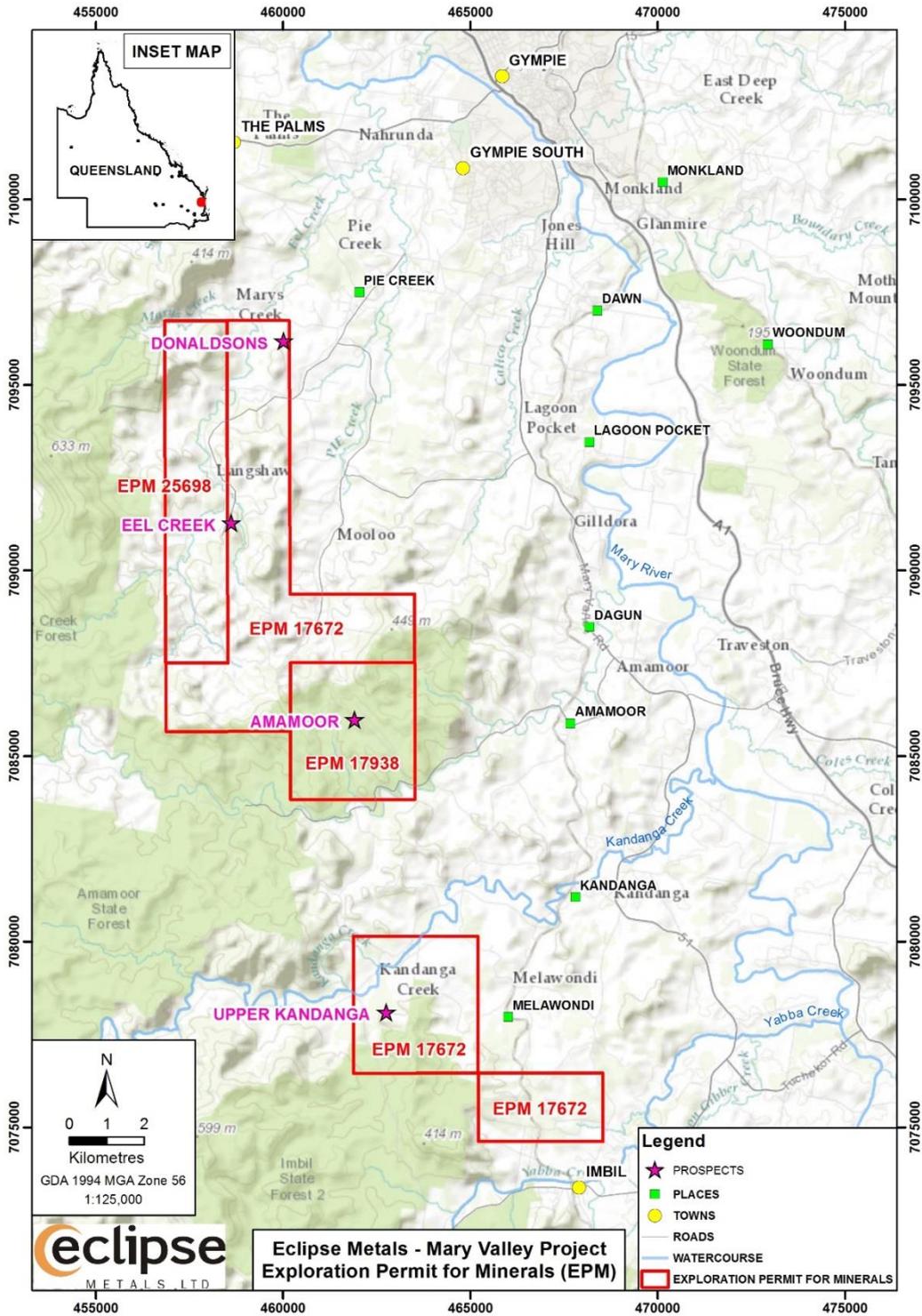


Figure 2. Mary Valley Tenement Map (updated)

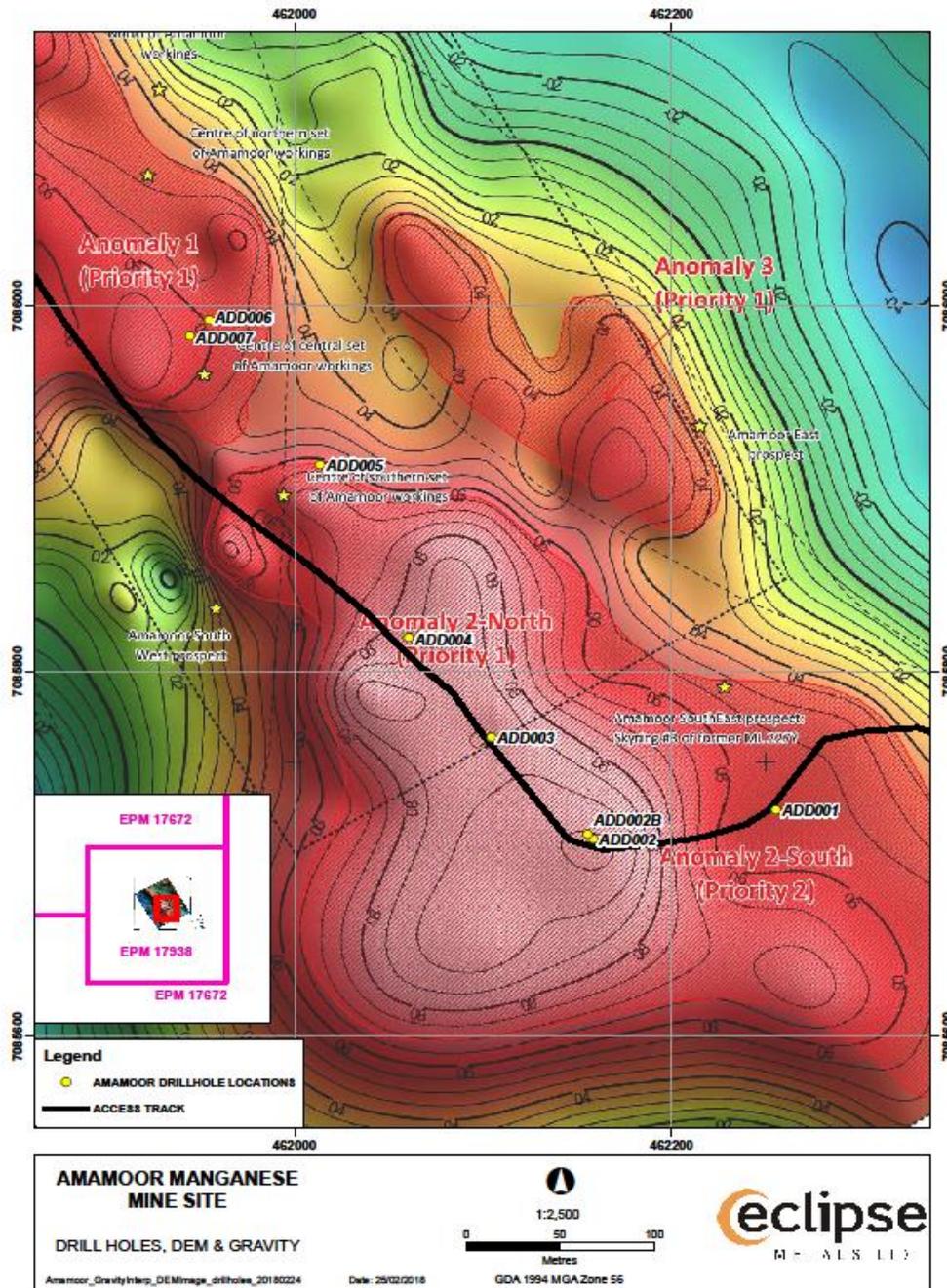


Figure 3. Amamoor Drill-hole Locations with Gravity and DEM

NORTHERN TERRITORY: DEVILS ELBOW- RIO TINTO FARM-IN / JV ELA 27584

Under the farm-in and joint venture arrangement with Eclipse, Rio Tinto Exploration (RTX) is continuing to pursue an arrangement with the Northern Land Council (NLC) for a site anthropological survey to determine consent and non-consent areas by Traditional Owners to facilitate the application procedure. This activity is now expected to take place later in the 2018 field season. Following the results of the site survey a final meeting will be planned with the NLC Executive for endorsement of these areas by Traditional Owners.

NORTHERN TERRITORY: OTHER TENEMENTS

No field activity was performed during the quarter (refer Figure 5 for NT tenure).

Preparations are underway for a Section 42 (Aboriginal Land Rights (NT) Act) meeting in late August between Traditional Owners, Eclipse Metals Ltd, and the Central Land Council (CLC), where a Company representative from Eclipse Metals will be able to present the exploration proposal for EL applications 31499-502 in the Ngalia Basin.

The Company has recently been granted ministerial consent to negotiate with Traditional Owners through the NLC with respect to EL applications 31770-772 at its Liverpool project, surrounding ELA27584, and is progressing its response under Section 41 of the Act, due in August.

Planned field activities, including a gravity survey on EL24808, have been hindered by lack of documentation available from the CLC on the tenure. This is despite the CLC having noted that a sacred site clearance had been conducted for Cauldron Energy, a predecessor company of Eclipse Metals, in 2011 as discussed in the Company's Annual Report from that year. The Company is continuing to address this issue.

Addendum - ECLIPSE METALS TENEMENT INTERESTS ASX -Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their locations are listed below. No granted ground was acquired or relinquished during the quarter, nor granted interest earned in or farmed out.

Granted Tenements

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
EL 24808	Bigryli	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EPM 17672	Mary Valley	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	15
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	4
EPM 25698	West Mary Valley	Manganese	Granted	Qld	Eclipse Metals Ltd	100	5

Tenement Applications

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
ELA 24623	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	100	305
ELA 24861	Lake Mackay	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 26487	Yuendi	Cu, Uranium	Application	NT	Whitvista Pty Ltd ²	100	320
ELA 27584	Devil's Elbow	Uranium	Application	NT	North Minerals Pty Ltd ³	100	30
ELA 27703	Gumadeer	Uranium	Application	NT	North Minerals Pty Ltd ³	100	3
ELA 31065	Liverpool 4	Uranium	Application	NT	Eclipse Metals Ltd	100	68
ELA 31499	Ngalia 1	Uranium	Application	NT	Eclipse Metals Ltd	100	249
ELA 31500	Ngalia 2	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31501	Ngalia 3	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31502	Ngalia 4	Uranium	Application	NT	Eclipse Metals Ltd	100	226
ELA 31770	Liverpool 2	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 31771	Liverpool 1	Uranium	Application	NT	Eclipse Metals Ltd	100	240
ELA 31772	Liverpool 3	Uranium	Application	NT	Eclipse Metals Ltd	100	51

¹ Walla Mines Pty Ltd is a subsidiary of Eclipse Metals Ltd

² Whistvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

³ North Minerals Pty Ltd is a subsidiary of Eclipse Metals Ltd

Corporate:

During the quarter, Mr Ibrar Idress was appointed as a non-executive director, Mr Carl Popal stepped down as executive chairman and Mr Rod Dale was appointed as non-executive chairman.

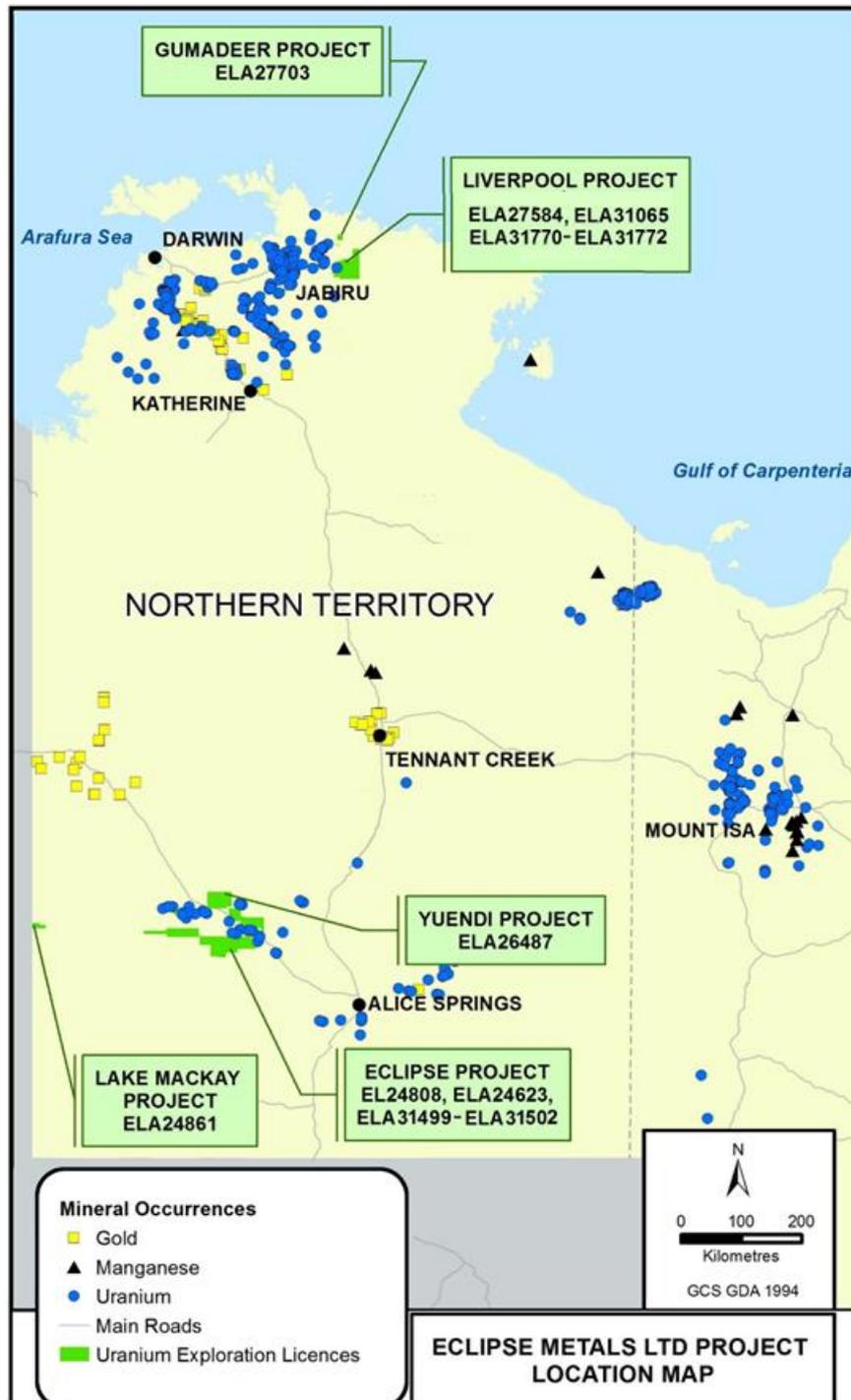


Figure 5. Northern Territory Tenement Map (updated)

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.

For further information please contact:

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Carl Popal - Non-Executive Director
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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")

June 18

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(27)	(275)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(87)	(340)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (BAS Refund)	33	42
1.9 Net cash from / (used in) operating activities	(80)	(568)

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 (12 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	-	-
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	-	-
3.5 Proceeds from borrowings	-	-
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	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	768	1,256
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(80)	(568)
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)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	688	688

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	688	768
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)	688	768

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

30

-

Director fees and geological fees for services provided

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

-

-

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	150
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	80
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	220

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: 30 July 2018

Print name: Rodney Dale

Non-Executive Chairman**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.