

Quarterly Activities Report and Appendix 5B

For the Quarter ending 31 March 2018

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; and
- Further samples of high grade manganese mineralisation found on surface and 8.6m of 7.0% MnO in drill hole in SE gravity anomaly, extending prospective area

QUEENSLAND - MARY VALLEY MANGANESE PROJECT

Eclipse Metals has completed the first phase of diamond drilling on its Mary Valley manganese project tenements (refer Figure 1) as follows:-

Amamoor	152.4m in 7 holes to depths ranging from 15.0m to 30.2m. (refer Figures 2 and 3 for hole locations)
Eel Creek	168.3m in 5 holes to depths ranging from 18.1m to 45.1m

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.

Eclipse Metals drilled eight diamond core holes for an aggregate of 152.4m – refer Table below and map in Figure 3 of Amamoor Mine Site with gravity, digital elevation model (DEM) and drill-hole locations.

Hole ADD002B, drilled adjacent to ADD002, which experienced considerable core-loss, toward the southwestern end of the prospect in an area of elevated gravity values, intersected 8.6m of manganese mineralisation with an average grade of 7.0% MnO. This intersection, together with the discovery of float and sub-outcropping manganese mineralisation to the west (previously reported), strongly supports the potential for substantial southerly extensions of mineralisation from the old workings (refer table below).

Holes ADD006 and ADD007, targeting depth extensions of historically mined orebodies, intersected layered to massive manganese mineralisation over 15.6m and 17m respectively. In ADD006 an intersection of high grade mineralisation averaged

59.8% MnO over 3.2m from 8.8m. In ADD007 two intersections averaged 5.9% MnO over 6m from surface and 26.3% MnO over 2.4m from 14.9m (note – weighted averages), (refer table below and Figure 4. Cross Section).

Intersections in both holes plus surface evidence of probable intervening mineralisation indicate the potential for mineable widths of lower grade beneficiable and high grade manganese mineralisation.

Results from the recent drilling and further geological / geophysical assessment are now being interpreted to assist with planning of the next phase of exploration.

This drilling program was conducted strictly on a reconnaissance basis and, as such, extent of drilling and sample analyses was limited to contain costs.

AMAMOOR DRILL-HOLE SPECIFICATIONS

HOLE ID	FINAL DEPTH m	AZIMUTH / INCLINATION	UTM GDA94 m East	UTM GDA94 m North
ADD001	16	Vertical	462255	7085724
ADD002	20.1	120 / 85	462158	7085708
ADD002B	10.6	125 / 88	462155	7085711
ADD003	16	146 / 85	462104	7085764
ADD004	30.2	125 / 85	462060	7085818
ADD005	20.9	268 / 72	462013	7085992
ADD006	16.1	270 / 60	461954	7085992
ADD007	22.5	235 / 60	461944	7085983

EEL CREEK

Access for drilling on this steep hillside was facilitated by construction of temporary tracks by local contractors using a digger and skid-steer equipment.

The area highlighted by the gravity anomaly was adequately tested with holes intersecting deeply weathered to fresh silty to siliceous sediments. Manganese mineralisation in the form of thin bands and blebs was recognised in most holes together with sections of black pyritic sediments and quartz / carbonate mineralisation. Anticipated thicker layers of manganese mineralisation were not intersected in this program, but there is scope for future discoveries in this area as the Eclipse geological / geophysical models evolve.

Results from interpretation of geology, geophysics and drilled geology will be collated in due course to determine the future of this prospect.

FUTURE EXPLORATION

Results from the recent drilling and further geological and geophysical assessment are ongoing. Planning of the next phase of exploration will include further drilling at Amamoor, targeting high grade mineralisation down-dip and along strike from these shallow intersections.

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

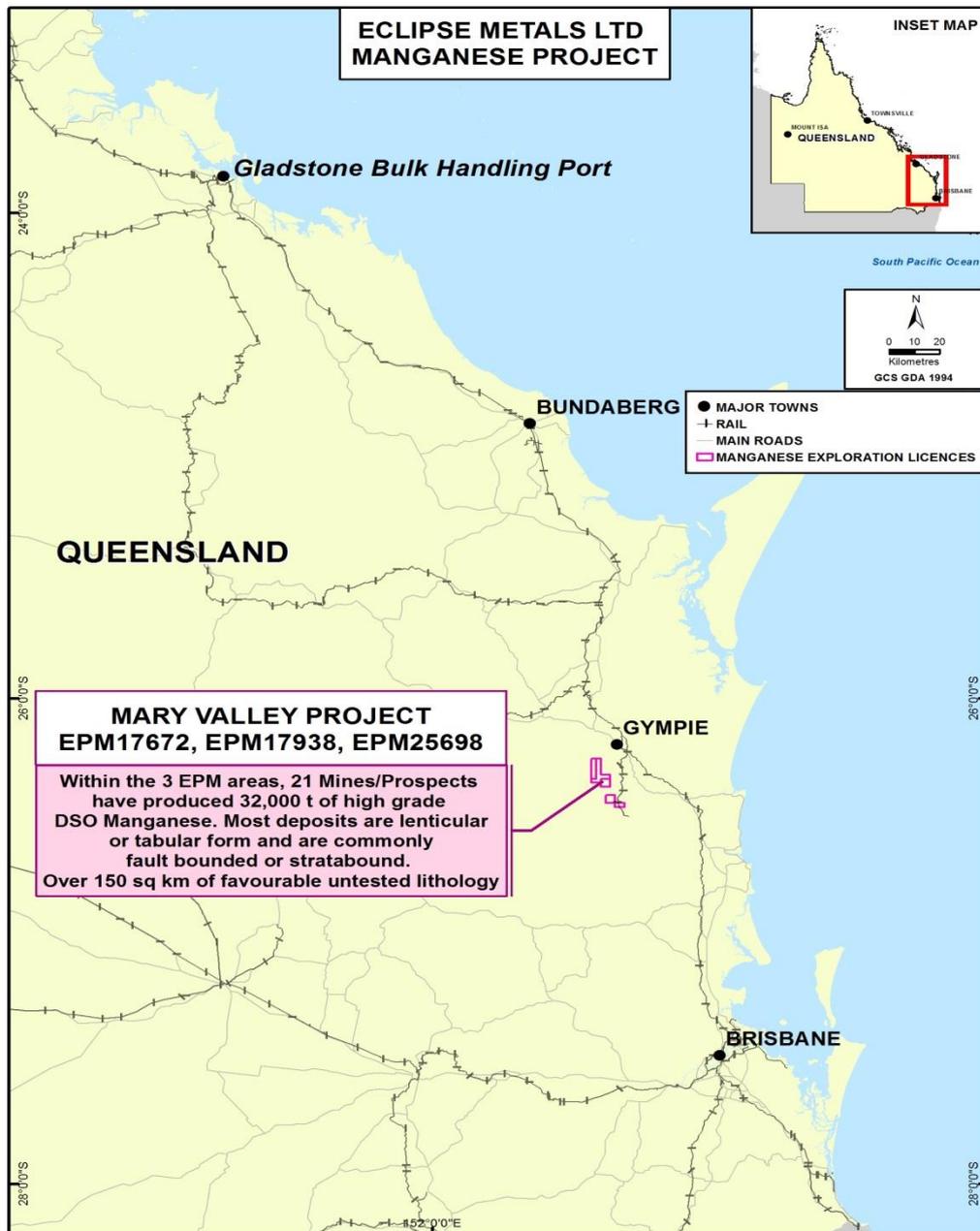


Figure 1 Location Plan for Eclipse’s Mary Valley Manganese Project

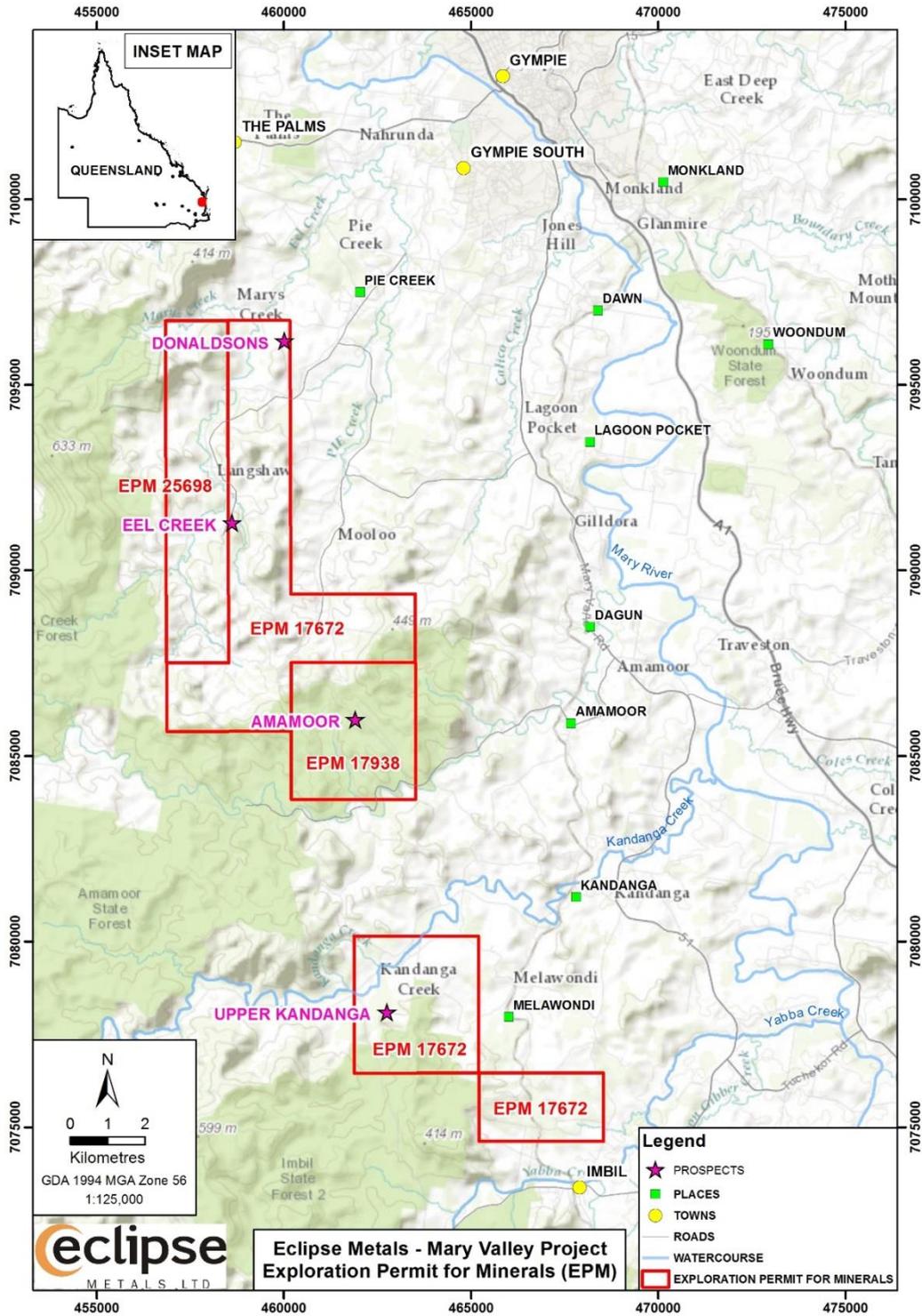


Figure 2 Mary Valley Tenement Map (updated)

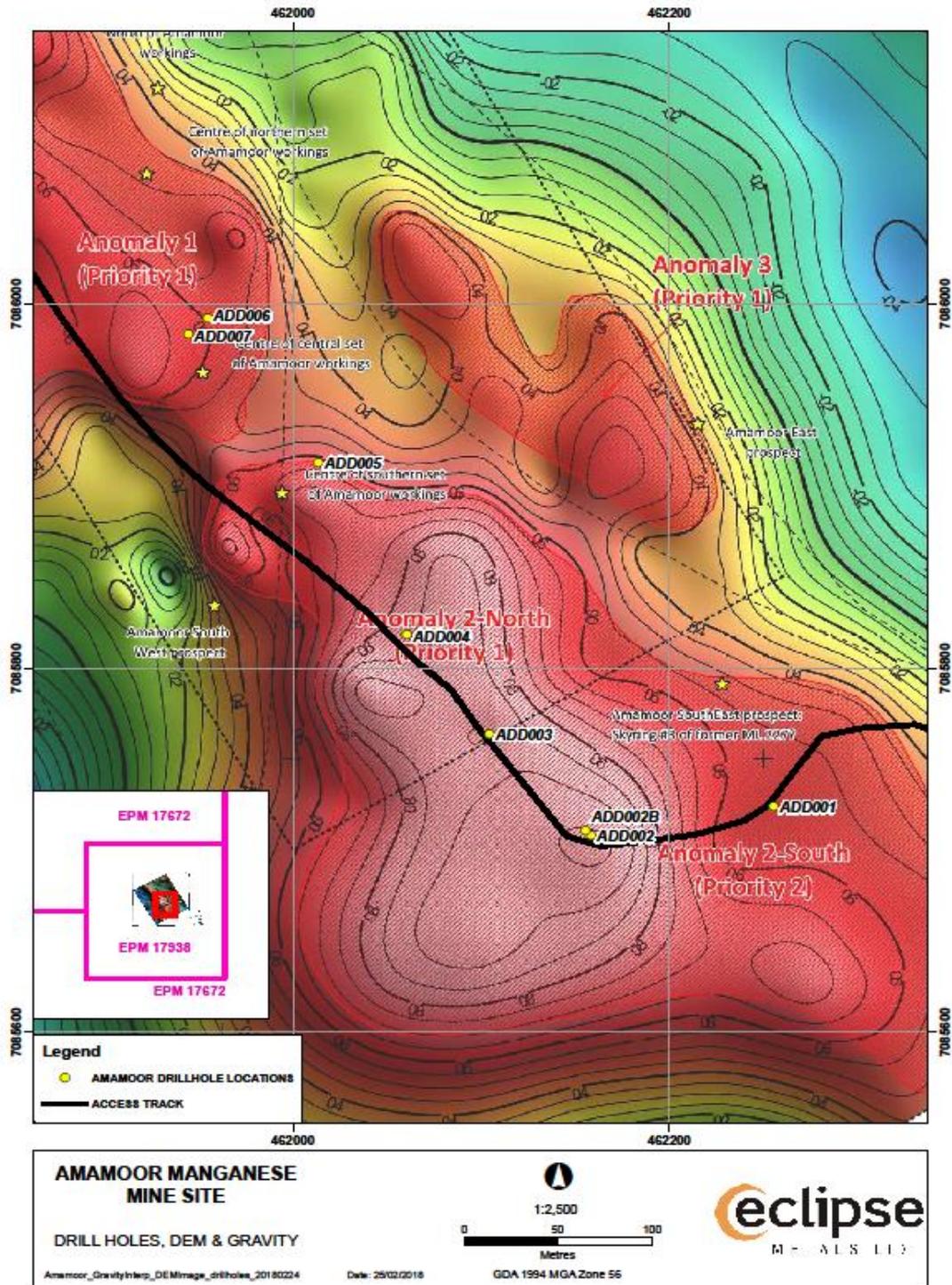


Figure 3 Amamoor Drill-hole Locations with Gravity and DEM

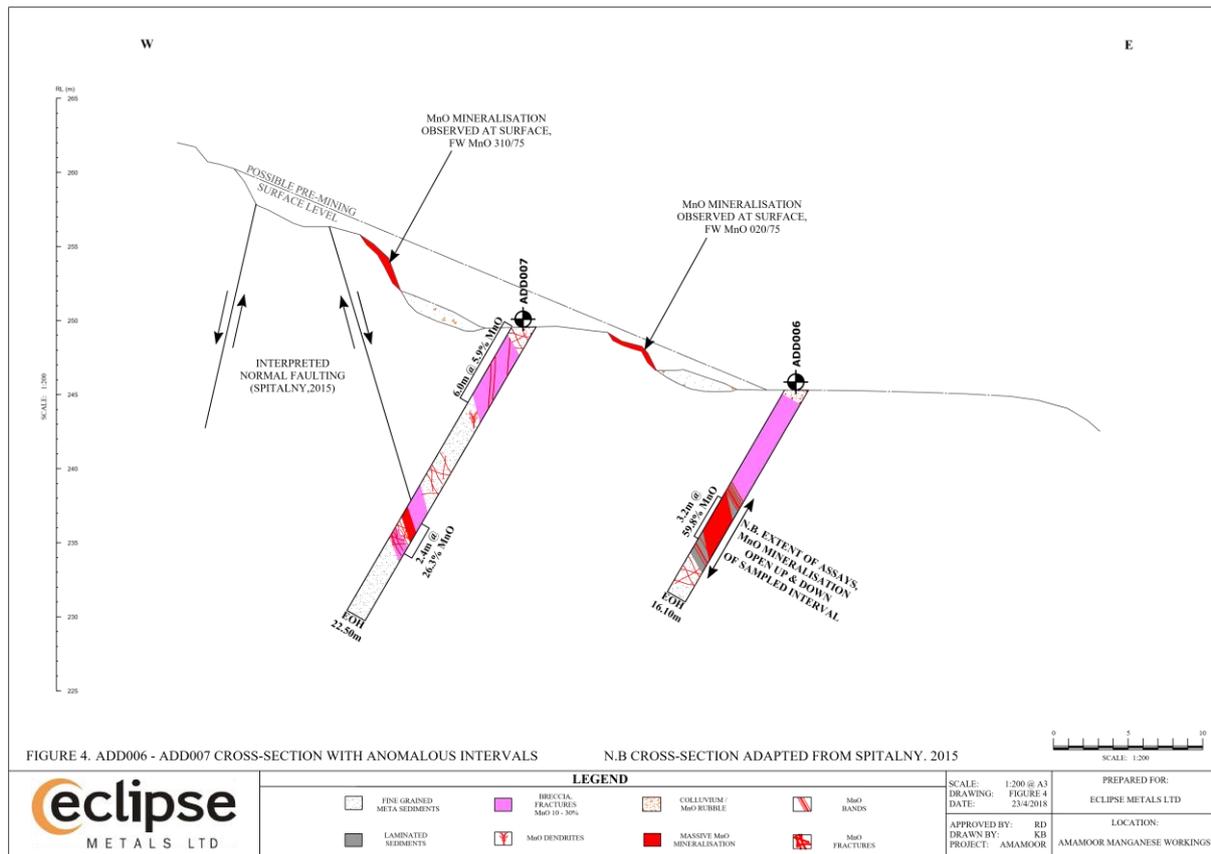


Figure 4 Cross section of ADD006 and ADD007, Amamoor

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 pursuing 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).

Addendum - ECLIPSE METALS TENEMENT INTERESTS ASX - Listing Rule 5.3.3

The 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	Bigrlyi	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

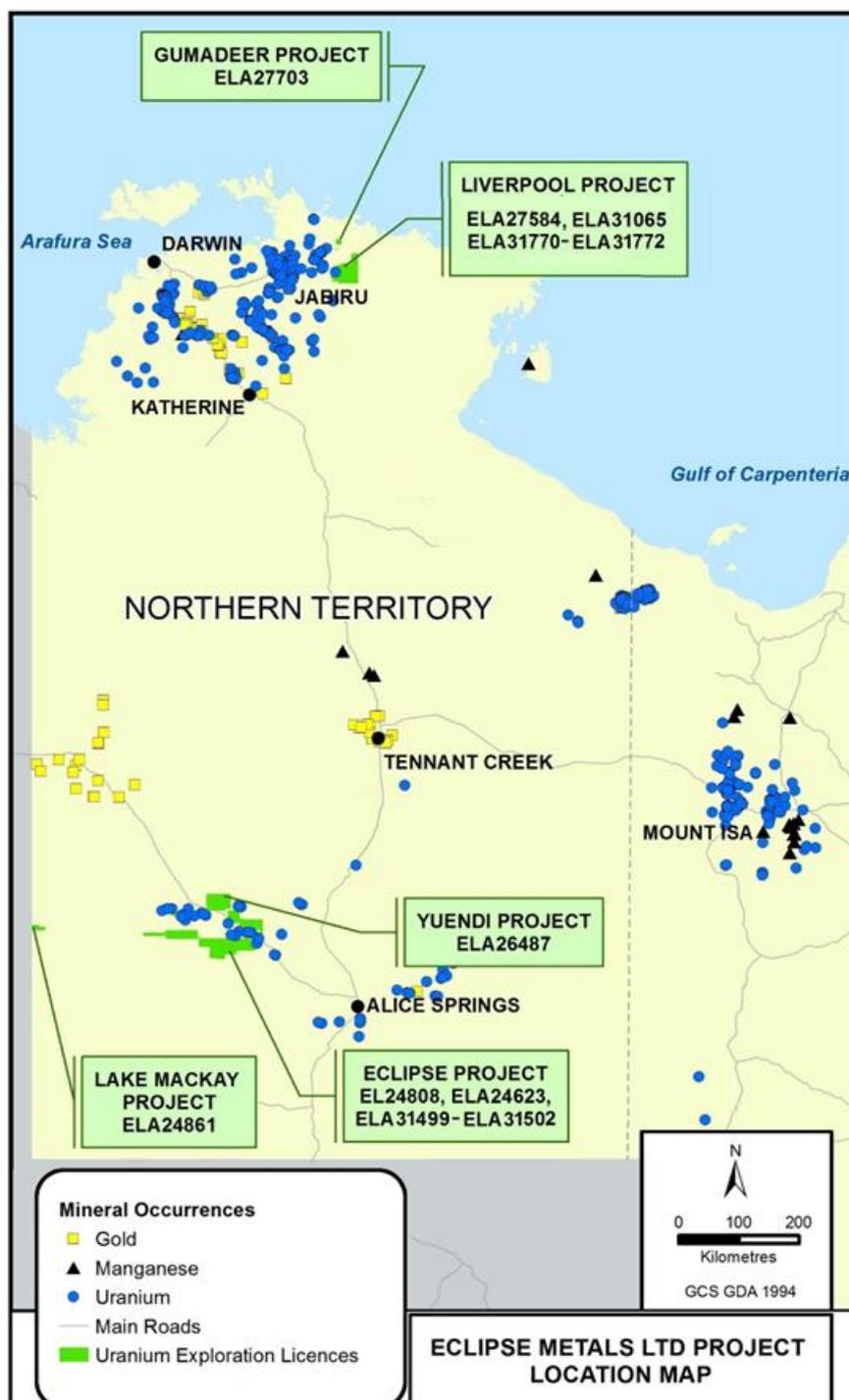


Figure 5. Northern Territory Tenement Map (updated)

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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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")

Mar 18

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(165)	(248)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(50)	(258)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
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)	-	14
1.9 Net cash from / (used in) operating activities	(214)	(488)

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 (9 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	982	1,256
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(214)	(488)
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	768	983

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	768	983
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)	768	983

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	26
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 and geological fees for services provided

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	150
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	210

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 April 2018

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.