

31 January 2020

Quarterly Activities Report and Appendix 5B For the Quarter ending 31 December 2019

- **Negotiations concluded with the Traditional Owners giving approval for granting of EL27584 which covers the Devil's Elbow uranium-gold-PGE prospect were ratified by Northern Land Council (NLC).**
- **Subsequent to the end of the Quarter, consent was received from the Commonwealth Minister for Indigenous Australians for granting of EL27584 which has been provided to the NT Minister for Primary Industry and Resources and the NLC.**
- **Upon granting of the Devil's Elbow exploration licence, detailed planning for field exploration will be commissioned.**
- **All available historical exploration data is presently being collated and assessed for planning further exploration.**
- **During the quarter exploration data was compiled into a Video presentation on Devil's Elbow.**

NORTHERN TERRITORY – DEVIL'S ELBOW

Following successful negotiations with the Traditional Owners, with the assistance of the Northern Land Council, under the Aboriginal Land Rights (Northern Territory) Act 1976, Eclipse Metals Limited (“**Eclipse Metals**” or the “**Company**”) has formalised the terms of a life time agreement on EL27584 covering the Devil's Elbow uranium, gold, palladium prospect. The Company subsequently received advice of consent for granting from the Commonwealth Minister for Indigenous Australians, the Hon Ken Wyatt, in accordance with section 42(8) of the Aboriginal Land Rights (Northern Territory) Act 1976.

The Commonwealth Minister has advised the Northern Territory Minister for Primary Industry and Resources, the Hon Paul Kirby MLA and the Northern Land Council of his decision.

Collation of all historical exploration data and analysis of geophysical results has commenced for planning future exploration which is expected to commence in the second quarter of 2020, subject to granting of the EL by the NT Minister.

During the quarter voluminous historical exploration data from Uranerz and Cameco was referred to in compiling a video presentation focused on Devil's Elbow, which is now posted on the company's website eclipseuranium.com.au/investors/presentations/

Eclipse's upcoming exploration program will focus on the ground around the Devil's Elbow, Terrace and Ferricrete uranium prospects, concentrating on reconnaissance over high priority geochemical and radiometric anomalies centrally within EL27584 and to the unexplored south of the Ranger Fault.

BACKGROUND

The Devil's Elbow prospect lies approximately 285 km east of Darwin, hosted within the world-class Alligator Rivers Uranium Field. The tenements are situated approximately 41 km southeast of the Nabarlek Uranium Mine and approximately 65km west of the Ranger Uranium Mine.

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

Ibrar Idress
Non-Executive Director

COMPANY SECRETARY

Eryn Kestel

OFFICE ADDRESS

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AUSTRALIAN BUSINESS NUMBER

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SHARE REGISTRY

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ASX CODE

EPM

WEBSITE

www.eclipsemetals.com.au

The Devil's Elbow prospect was first discovered and explored by Uranerz Australia and subsequently further explored, mainly to the north

of Ranger Fault, by Cameco between 2002 and 2008 (Figure 2). Samples from shallow trenching yielded high-grade uranium, gold and palladium assays including **3.2% U₃O₈, 3.7% U₃O₈, 4.40% U₃O₈ and 5.8% U₃O₈**, with **38.1g/t Au** and **28.02g/t Pd**, related to fractures within altered amygdaloidal basalt of the Nungbalgarri Volcanics.

Since early 2013, Eclipse Metals has conducted extensive and detailed historical data review over the Devil's Elbow area and its surrounding tenements. Based on these results, the company has delineated several new electromagnetic/gravity/radiometric targets, untested highly anomalous structural zones and areas to the South of the Ranger Fault which warrant further significant follow-up exploration activity.

The Devil's Elbow exploration area and adjoining EL applications (Figure 1), covers 1,414 sq km of prospective geology. Major uranium explorers such as Rio Tinto, Cameco Australia, and Alligator Energy Ltd also hold significant exploration ground within the world-class Alligator Rivers Uranium Field together with several listed Australian companies.

Eclipse anticipates full access will be granted by the Northern Territory Department of Mines and Energy early in 2020 when planning for field exploration activities in the 2020 field season can commence on this geologically exciting project area in the mineral rich Alligator Rivers Uranium Field in Arnhem Land.

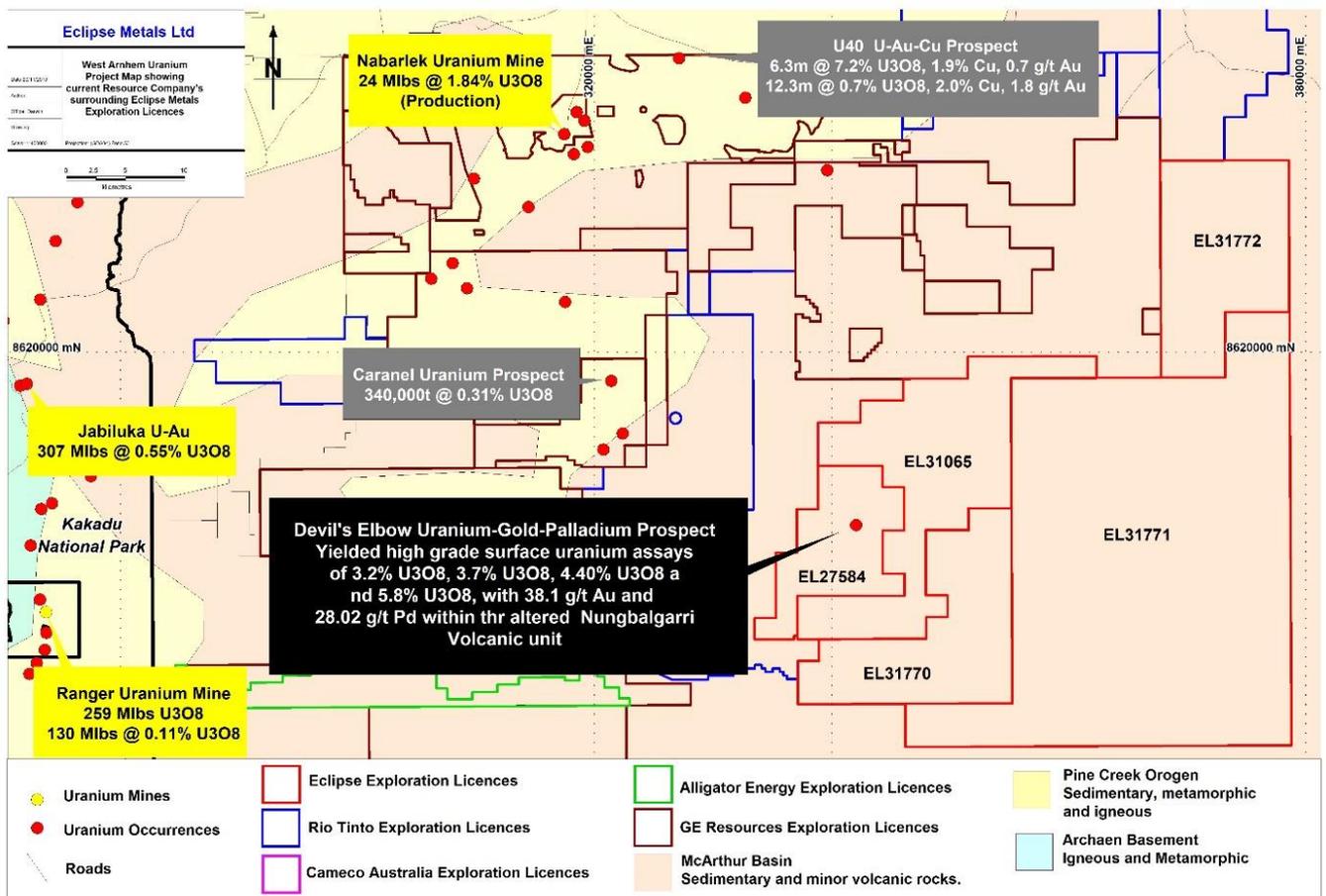


Figure 1. Liverpool Project, Eclipse and North Minerals Pty Ltd EL applications.

Rod Dale
Non-Executive Chairman

For further information please contact:

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Carl Popal
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Competent Persons Statement

Geology The information in this report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Mr Pedro Kastellorizos (geological consultant) for Mr Rodney Dale, the Non-Executive Chairman 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.

Mr Dale and Mr Kastellorizos have verified the data disclosed in this release and consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

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 tenement interests were earned into or farmed out.

Granted Tenements

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
EL 24808	Cusack's bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	32
EPM 17672	Mary Valley	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	7
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	4

Tenement Applications

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
ELA 24623	Yuendi	Cu, 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 31065	Liverpool 1	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 3	Uranium	Application	NT	Eclipse Metals Ltd	100	240
ELA 31772	Liverpool 4	Uranium	Application	NT	Eclipse Metals Ltd	100	51
ELA 32077	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	195
ELA 32078	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248
ELA 32079	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248

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

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 19

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	(41)	(79)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(76)	(132)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	64
1.8 Other (BAS Refund)	7	9
1.9 Net cash from / (used in) operating activities	(110)	(138)

Mining exploration entity and oil and gas exploration entity quarterly report

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	-	-
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	248	248
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)	(2)
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	246	246

Mining exploration entity and oil and gas exploration entity quarterly report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	330	358
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(110)	(138)
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)	246	246
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	466	466

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	466	330
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)	466	330

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	46
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 consulting 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	

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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	175
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	75
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	250

Mining exploration entity and oil and gas exploration entity quarterly report

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 2020

Print name: **Rod 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.