



**Eclipse Metals Limited**

**ABN 85 142 366 541  
and its controlled entities**

**Report for the half-year ended  
31 December 2023**

## Corporate directory

### Board of Directors

Mr. Carl Popal	Executive Chairman
Mr. Rodney Dale	Non-Executive Director
Mr. Ibrar Idrees	Non-Executive Director

### Company Secretary

Matthew Foy

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### Website

Website: [www.eclipsemetals.com.au](http://www.eclipsemetals.com.au)

### Auditors

Stantons  
Level 2, 40 Kings Park Road  
West Perth, Western Australia 6005

### Share Registry

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Level 5, 191 St Georges Terrace  
Perth, Western Australia 6000

### Securities Exchange

Australian Securities Exchange Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth, Western Australia 6000

### ASX Code

Shares: EPM

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## Half year report for the half-year ended 31 December 2023

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## Directors' report

The directors of Eclipse Metals Limited (“the Company”) submit herewith the operations and financial report of Eclipse Metals Limited and its controlled entities (“the Group”) for the half-year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

Mr. Carl Popal  
Mr. Rodney Dale  
Mr. Ibrar Idrees

### Operating Results

The loss before income tax for the Group for the half-year ended 31 December 2023 amounted to \$981,318 compared to a loss before income tax of \$767,318 for the half-year ended 31 December 2022.

### REVIEW OF OPERATIONS

Eclipse Metals Ltd (**Eclipse** or the **Company**) is an Australian exploration company focused on exploring south-western Greenland, Northern Territory and Queensland for multi commodity mineralisation. Eclipse Metals Ltd has an impressive portfolio of assets prospective for cryolite, fluorite, siderite, quartz, REE, gold, platinum group metals, manganese, palladium, vanadium and uranium mineralisation.

### IVIGTÛT (IVITTUUT) PROJECT – GREENLAND

The Eclipse Ivigtût Project within mineral exploration licence MEL2007-45 in southwest Greenland hosts the historic Ivigtût cryolite mine and a range of undeveloped mineral deposits. Over 120 years, between 1865 and 1985, the Ivigtût mine produced 3.8 million tonnes of high-grade cryolite for use in the aluminum industry, from the world's largest known minable resource of naturally occurring cryolite (**Figures 1 & 2**) (Reference: Greenland Mineral Occurrence Map & Occurrence data sheet).

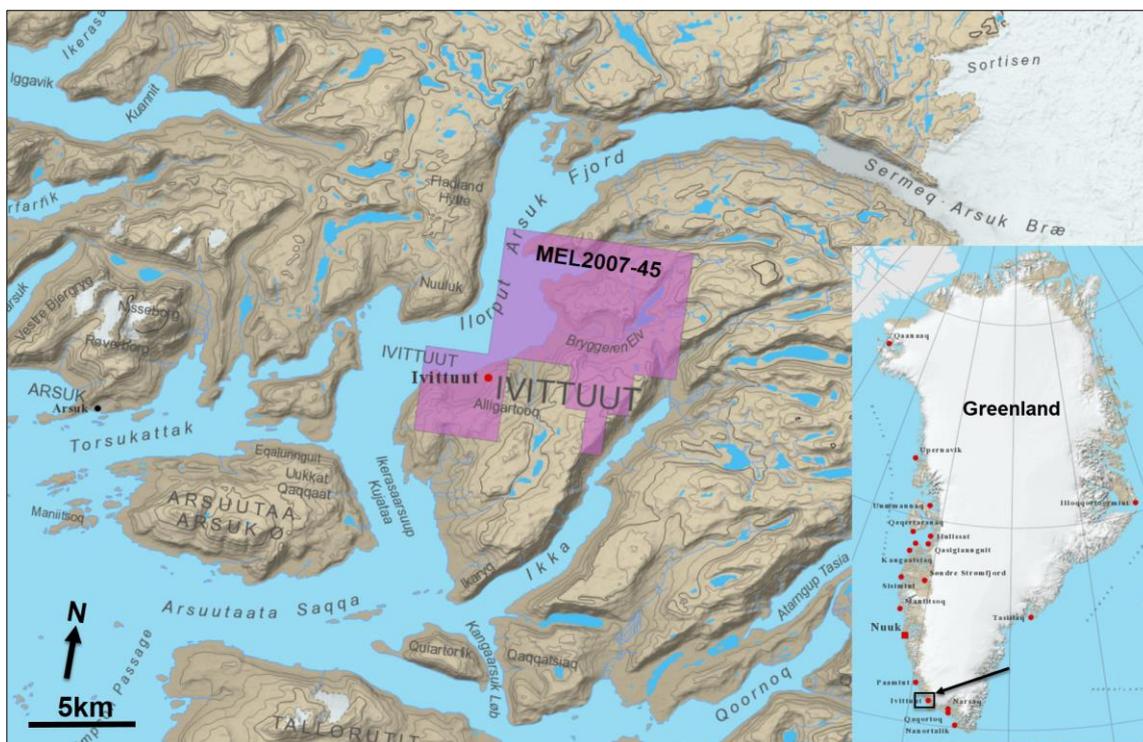
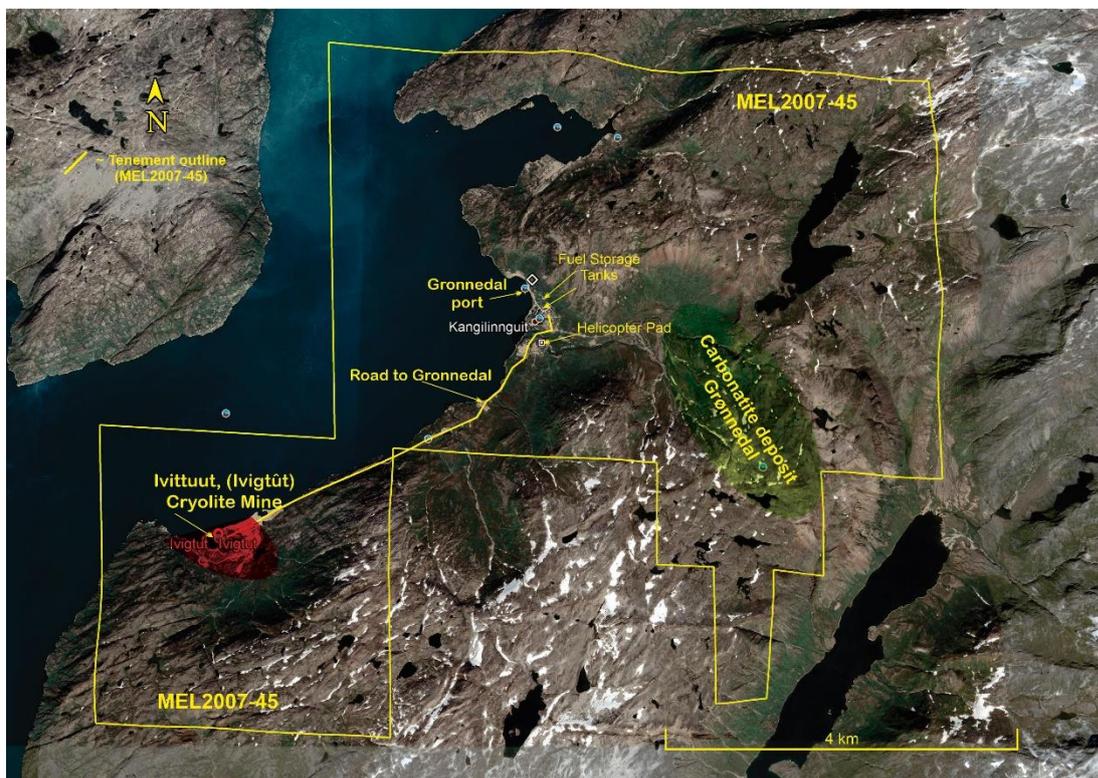


Figure 1: Ivigtût Project Location Map.



**Figure 2: Ivigtût Project Tenement Map – MEL 2007- 45 - located on the coast of Arsuk Fjord in southwestern Greenland.**

The Ivigtût mine-site has a power station and fuel supplies to service this station and local road infrastructure to support mineral exploration. About 5.5km to the northeast of Ivigtût, the settlements of Kangilinnuit and Grønødal provide a heliport and an active wharf with infrastructure.

The Grønødal carbonatite complex is less than 10km from Ivigtût and only 5km from the port of Grønødal. This complex ranks amongst the larger alkaline intrusions of the Gardar Igneous Province in Greenland and is recognised by GEUS as one of the prime REE targets in the country, along with Kvanefjeld and Kringlerne (also referred to as Tanbreez) (Paulick et al., 2015).

Assay results from drilling, trenching and grab samples collected by Eclipse, show the various styles of REE mineralisation at Grønødal and Ivigtût ranging from light to heavy REE. Their respective geological host environments are testament to a complex intrusive history with multiple episodes of REE enrichment (refer ASX release 24 March 2022). Previous tenement holders concentrated on exploring and mining the Ivigtût cryolite deposit. Eclipse is the first company to test the REE and multi-element potential at both Grønødal and Ivigtût.

#### Rare Earth Elements Exploration Target Identified over 5km strike at Grønødal

During the period Eclipse announced a rare earth elements (REE) exploration target at Grønødal and subsequent to the period it announced it had delineated an resource estimate of 1.18Mt at a grade of 6,859ppm TREO . While the rare earth mineralisation at Grønødal extends over 5km by 2km of nepheline syenite, the exploration target encompasses an approximately 3km by 800m section of tested ferrocarbonatite intruding the syenite (**Targeted Area**). This Target Area, highlighted in Figure 3, has been derived from a combination of recent exploration, a geophysical assessment and review of public domain data.

Data from a 1995 DIGHEM airborne magnetic survey highlighted several ovoid shaped responses associated with brecciated ferrocarbonatite bodies (**Figure 4**) (refer ASX announcement 9 February 2021). Comparative analysis of the magnetic response with the mapped extent of the ferrocarbonatite suggests a more widespread presence of these formations than previously mapped.

Furthermore, 3D inversion interpretation of the magnetic data shows that the carbonatites extend to at least one kilometre below the surface where the two discrete bodies coalesce. In addition, the DIGHEM electromagnetic data revealed seven conductive targets, potentially sulphide mineralisation, recommended for follow up investigation with drilling.

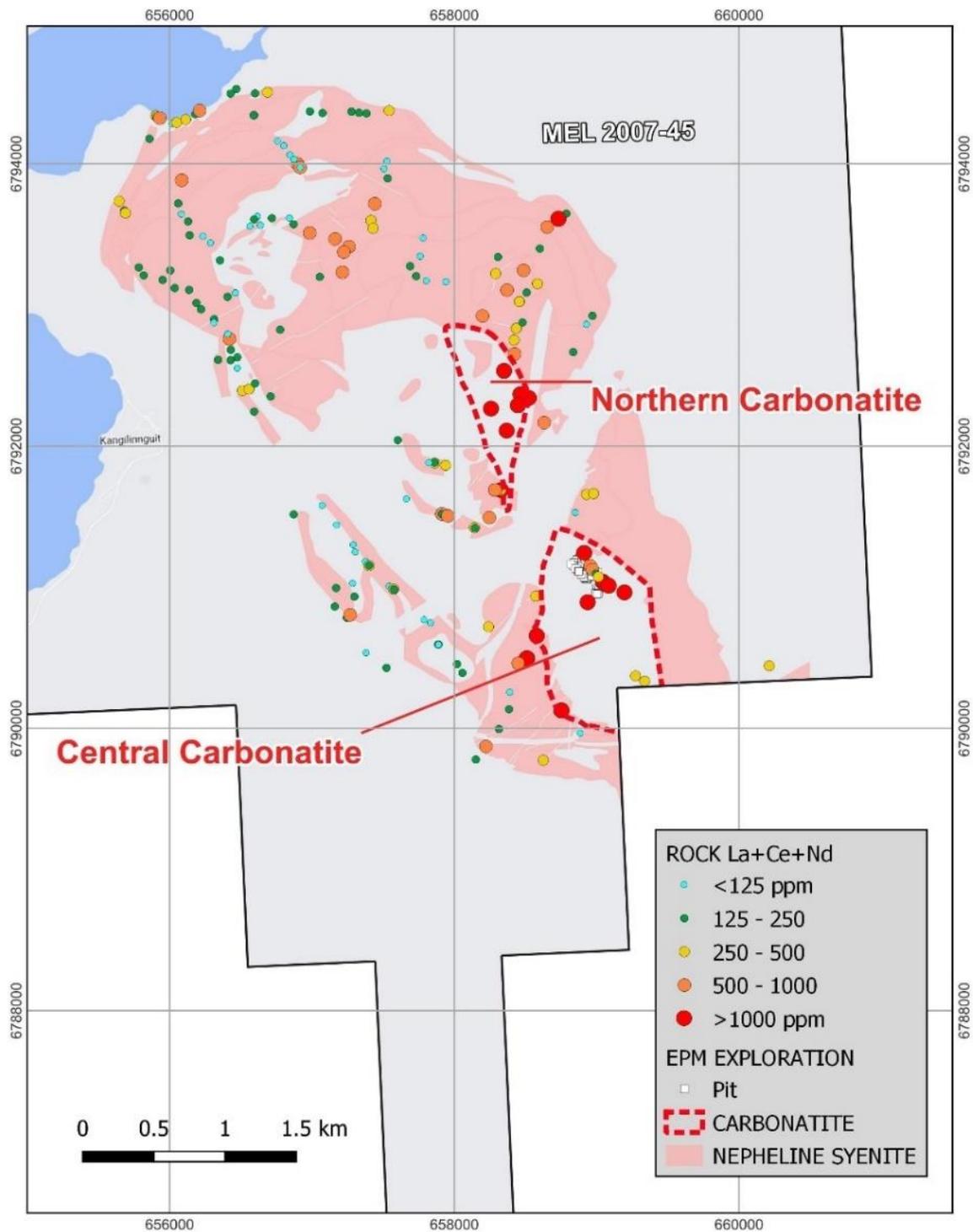


Figure 3: MEL 2007-45 Location Map, showing geology of the Grønnedal nepheline syenite with carbonatite plugs (Target Area).

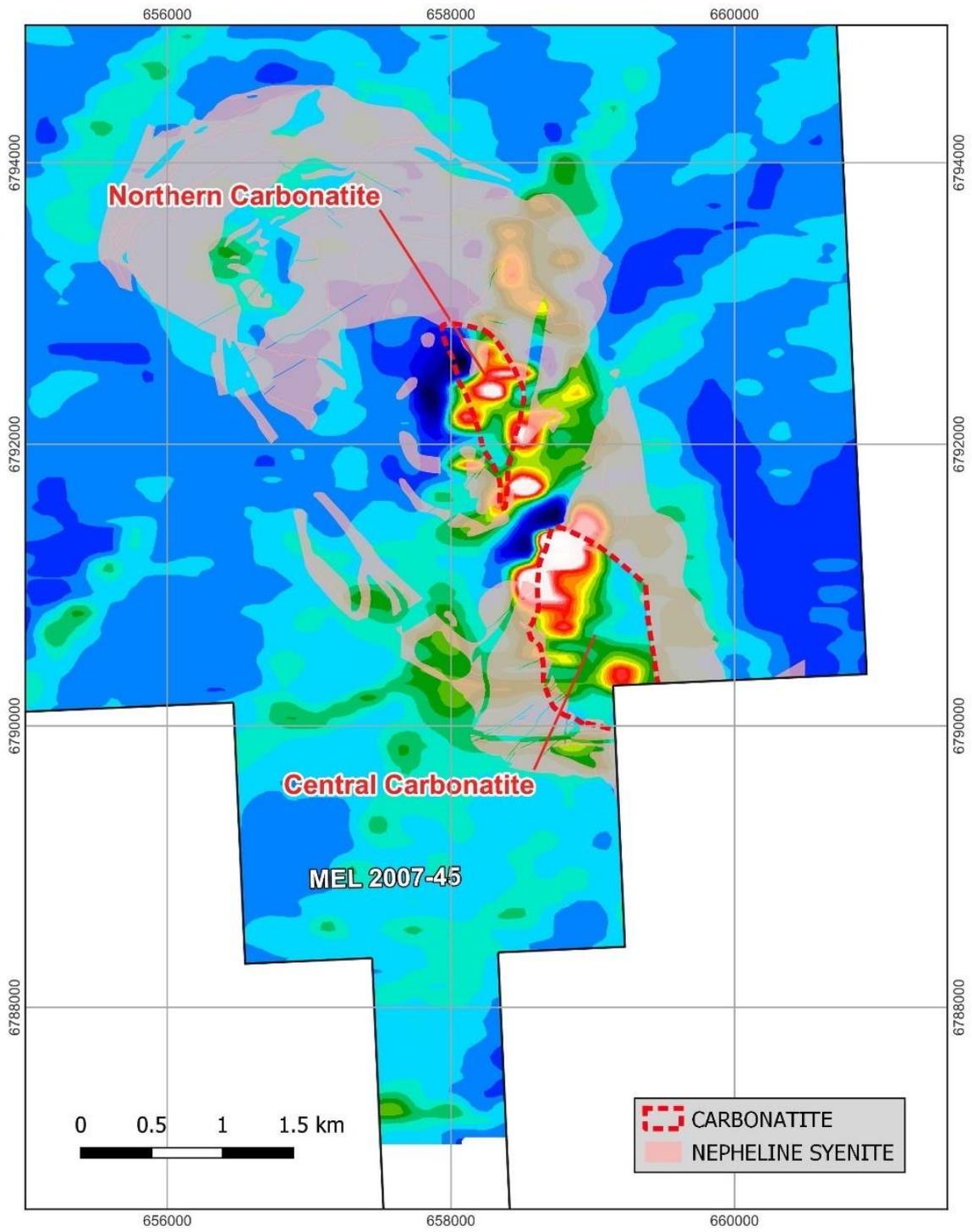
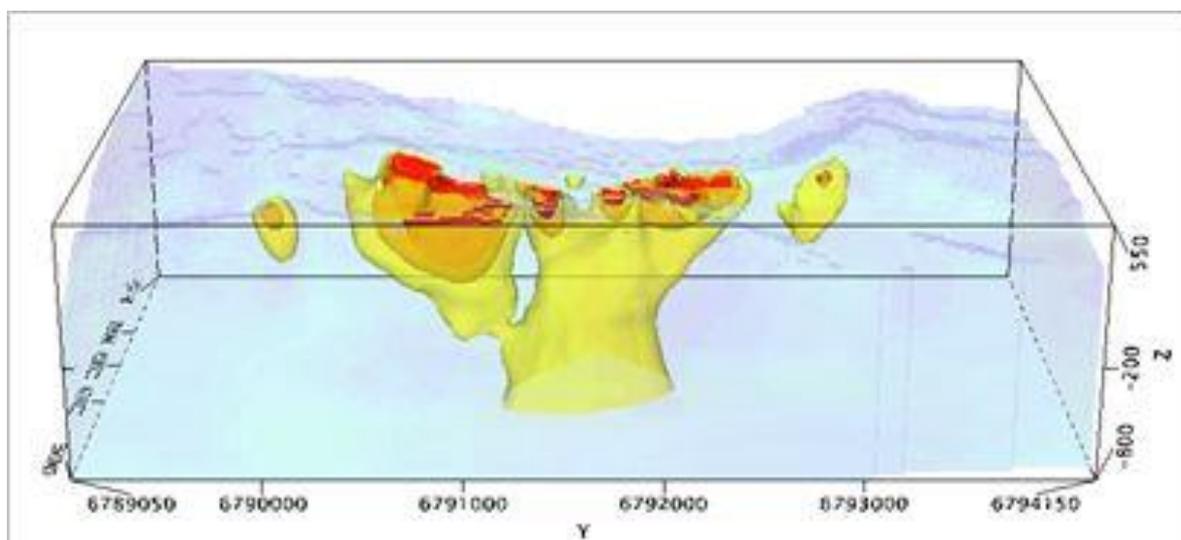


Figure 4: Total magnetic intensity image from DIGHEM survey.



**Figure 5: 3D inversion of DIGHEM magnetic data. Isosurfaces: red – 0.15 orange 0.13 yellow 0.11 SI (Fathom Geophysics).**

Upon conservative analysis, extrapolating only the outcropping area of ferrocarnatite (approximately 1.4 million m<sup>2</sup>) to a depth of 50m indicates an exploration target of between 175 and 245 million tonnes of REE mineralisation based on a plausible range of rock density (2.5 and 3.5 gm/cm<sup>3</sup>) (**Exploration Target**).

The anticipated grade for the Exploration Target is between 0.25 and 0.50% TREE including 32% – 39% magnet REE (Nd, Pr, Dy and Tb) based on previously reported results from pitting and drilling in a small part of the Central carbonatite body (refer ASX announcements 25 July and 8 August 2023) as well as historic surface rock sampling (Figure. 3; Table 1).

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration work conducted to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared based on actual exploration results described in this report including historical and recent drilling data and geological modelling.

Dataset	Total Samples	Samples > 300 ppm TREE		Ave. TREE ppm ¶	Magnet REE	
		#	%		ave. ppm	% total
EPM pits (< 2 m) <sup>1</sup>	52	51	98	4,694	1,839	<u>39</u>
EPM percussion drill holes (0 - 22 m) <sup>2</sup>	224	158	71	3,602	1,185	<u>33</u>
Bedford (1989) surface samples (refer JORC tabled annexed)	24 <sup>3</sup>	24	100	3,624	1,059	>29
	6 <sup>4</sup>	6	100	6,378	1,910	>32

**Table 1: Summary of TREE grade information for the Grønnedal ferrocarnatites in parts per million (ppm). Average grade relates to samples > 300 ppm TREE. 3 Analysis of La, Ce and Nd only by XRF. 4 Analysis by INAA of 10 only of the 15 REE. Pr and Dy were not determined (Bedford, 1989).**

<sup>1</sup> ASX Announcement 25 July 2023

<sup>2</sup> ASX announcement 8 August 2023

With this in mind, the Company notes the exploration target is based upon analytical results to date that indicate a high proportion of the so-called magnetic REE in the total REE “basket” (**Table 1**) within the Target Area. The range of magnet REE (MREE) is between 32% and 39% which compares favourably with the proportion of MREE publicly disclosed in relation to other REE projects, including the Songwe Hill project in Malawi and the Yangibana project in Australia.

There has been insufficient exploration work conducted to confirm if the estimated proportion of MREE within the Targeted Area is indicative of the proportion of MREE contained throughout the broader mineralisation at Grønnedal. Further sampling and analytical work will need to be obtained throughout the remainder of the mineralisation at Grønnedal and there can be no guarantee that such data will be consistent with the Grønnedal analytical results to date.

In addition to the ferrocarnatite Exploration Target, historical public domain rock chip sampling of the composite intrusion reveals that anomalous levels of rare earth elements La, Ce and Nd occur over the full 5 km length of nepheline syenite exposed within the company’s tenement (Figure 3; Bedford, 1989). While the ferrocarnatite intrusions at Grønnedal are generally richest in La, Ce and Nd, highly anomalous values have been recorded throughout the nepheline syenite body and related altered rocks (Figure 3 and Table 2).

Combined La + Ce + Nd ppm	# Samples	Max	Mean	Median
All Data	236	15,203	685	220
Carbonatite	24	8,256	3,624	3,566
Altered Syenite	25	15,203	920	209
Other	4	560	403	398
Syenite II	40	981	289	229
Syenite I	129	1,132	258	185
Altered Gneiss	14	689	381	361

**Table 2: Summary of La, Ce and Nd (ppm) content of various rock types at Grønnedal from historic surface rock sampling (Bedford, 1989). Other rare earth elements were not analysed.**



Figure 6: Grønnedal pitting results (Refer ASX announcement 25 July 2023). See Figure 3 for location of these pits within the Central carbonatite.

A program of diamond drilling is planned to test the ferrocarnatite exploration target together with detailed geological mapping and petrological studies aimed at better understanding controls on REE mineralisation, particularly in the less well understood altered syenites.

### Grønnedal Maiden Drilling Program Results

In August 2023, Eclipse announced the drill hole sample assay results for samples from its 2022 maiden percussion drilling program on the Grønnedal REE prospect within its 100% owned Ivigtût multi-commodity project in SW Greenland. Assay results, together with previous geological and geophysical assessments indicate that REE mineralisation at Grønnedal is widespread and deep-seated.



**Figure 7: Grønnedal drilling results from the ‘lower section’ with REO mineralisation intersected in all drill holes.**

Results related to 27 shallow percussion drill holes completed at Grønnedal, where all drill holes encountered REE mineralisation from surface to end of hole. Eclipse’s maiden drilling program at Grønnedal provided a better understanding of the geology and geochemistry of the ground and the holes were generally drilled to blade refusal, with limitation of the drill rig handling the ground conditions. A maximum depth of 22m was achieved in some locations (refer to Figure 8). The drilling program was completed in October 2022 with samples shipped from Greenland to Australia for laboratory assessment.

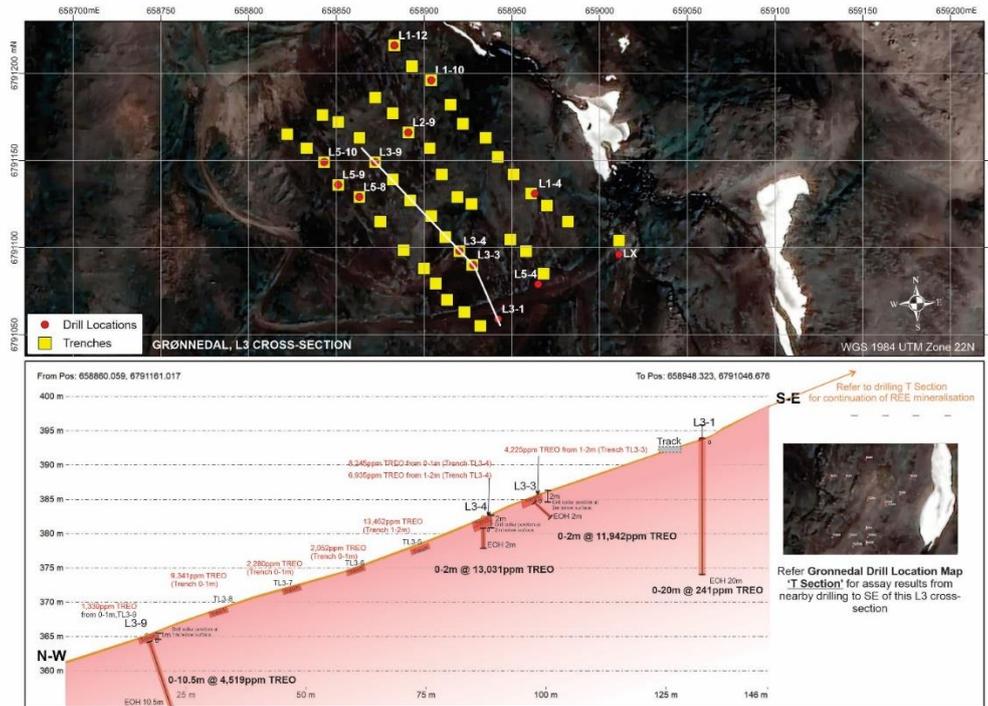


Figure 8: Grønnedal cross section L3-1 to L3-9 showing drilling and trenching results in the 'lower section'.

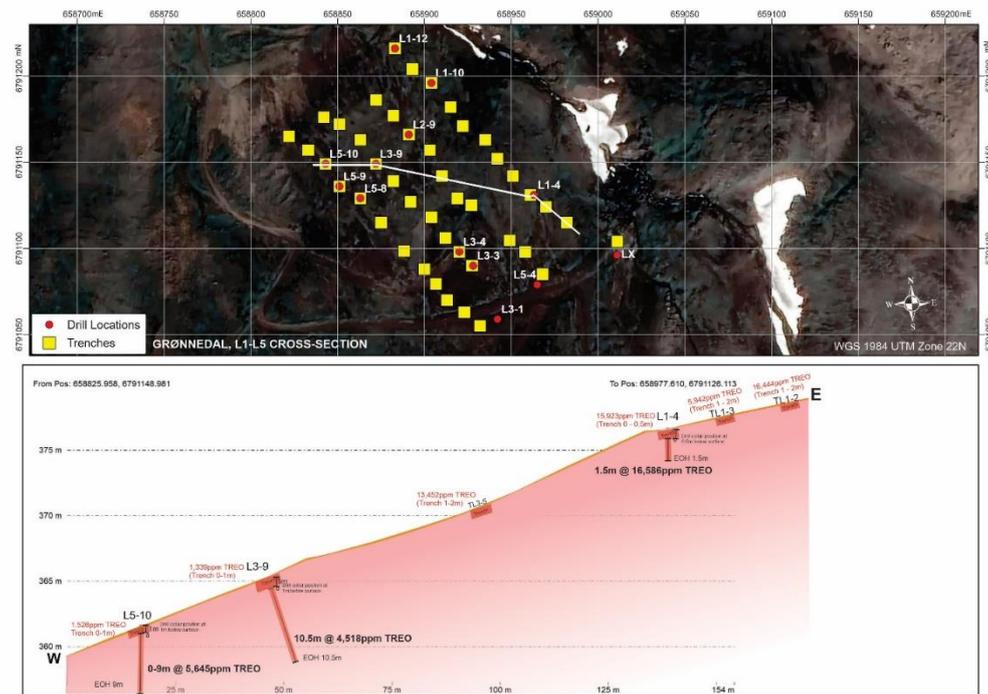


Figure 9: Grønnedal cross section L1-4 to L5-10 showing results in the lower section from drilling and trenching.

Note: Drill hole ID TL2-1, TL2-2 and TL2-3 were drilled from the same collar location at different angles due to difficult ground conditions.

Analytical values for drill samples from the lower section of the Grønnedal carbonatite prospect indicate a substantial increase in the Nd ratio compared to the top section drilling results. In the lower section Nd values in the carbonate impregnated rocks is higher than the top section Nd values in carbonatite breccia. Drilling and trenching at Grønnedal identified this material within part of a widespread dolerite dyke system intruding the carbonatite. Analysis of historical geological and geophysical work has indicated that the dolerite dykes are laterally extensive and deep-seated.

Further to recent trenching results, the drill sample results are confirmation of a higher proportion of commercially more valuable magnetic REE, such as Neodymium (Nd) within the total basket of REE. Whereas sample R27766 in drill hole L5-10 over 1.5 metres returned Nd in a ratio of 46% with and Nd + Pr oxide value of 50% in TREO, sample IDR27829, in drill hole L1-4 returned a value of 16,585ppm TREO from 0.5m-2m with Nd ratio of 27% and 407ppm gadolinium oxide ( $Gd_2O_3$ ) with 6.42% heavy rare earth (HREE). The laboratory assay results from Grønnedal recorded low uranium values which are well below the Greenland Government's recently legislated maximum of 100ppm. All drill holes ended in mineralisation, indicating greater depth potential below the deepest intersection of 22m.

The trends associated with the distribution of the REE are complex, indicating enrichment at depth through leaching and precipitation below the surface. The results portray the concept of weathering effects from the surface. The diagram below shows calcium carbonate ( $CaCO_3$ ) leaching in rainwater from the surface via fault systems with  $CaCO_3$  precipitating in the cold sea water as the famous Ikka Columns, located outside the tenement boundary.

After December 31<sup>st</sup>, the Company announced a maiden inferred Mineral Resource for the Grønnedal REE deposit. The inferred resource estimate of 1.18Mt at a grade of 6,859ppm TREO incorporates results from Eclipse's initial drilling and trenching program completed in 2023. The resource is contained within rocks of the Proterozoic Grønnedal Complex that intrudes Archean basement gneissic rocks in the Gardar Province, Southwest Greenland.

These rocks have, in turn, been intruded by large north-east trending dolerite dykes. The concentration of rare earth elements is developed in the carbonatite. With a high percentage of the outcrop, the area has been mapped in detail and hence the extent of the geological units that host the REE mineralisation are very well understood and defined.

The carbonatite is truncated to the northwest by a dolerite dyke. The extent of dolerite intrusives within the carbonatite is yet to be established but it likely that where grades drop off it is because dolerite dykes have been intersected.

### Resource Area

The Grønnedal REE mineralisation has been defined in the northern parts of a central block of carbonatite that measures approximately 1,400m north-south and 750m east-west. The carbonatite is truncated to the northwest by a dolerite dyke. The extent of dolerite intrusives within the carbonatite is yet to be established but it likely that where grades drop off it is because dolerite dykes have been intersected. It is likely that this carbonatite extends to a depth exceeding 500m below surface (Figure 10).

The resource area is restricted to a relatively small portion of the carbonatite that has been tested by trench sampling and drilling. Mineralisation is developed from surface to at least the maximum vertical extent of drilling of 22m. All mineralised holes ended in high grade REE. Trench sampling has returned high REE grades to the northern and western limits of the sampling grid. The resource area remains open at depth, along strike and in width.

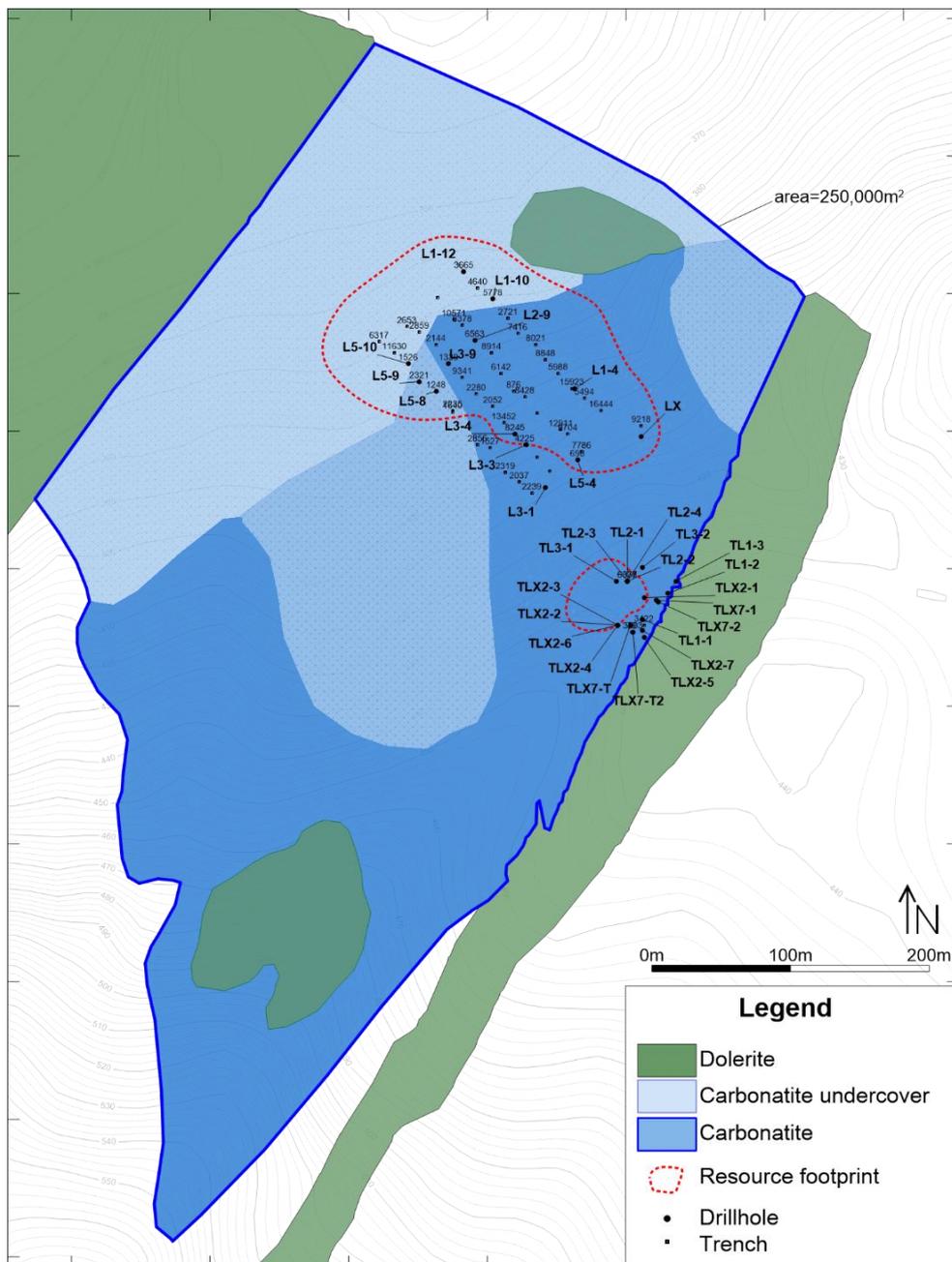


Figure 10: Plan view of Central Gronnedal Resource Area

### Resource Estimate

The resource footprint is defined by a combination of trench sampling and drilling results. Trench sampling was carried out of a regular north-west oriented grid over a 300m x 150m area within the carbonatite intrusive. Contoured TREO results of the trenching show pervasive mineralisation over the sampled area with significantly higher grades located towards the southern and eastern areas (Figure 11). It is also notable that mineralisation is spatially open-ended in all directions.

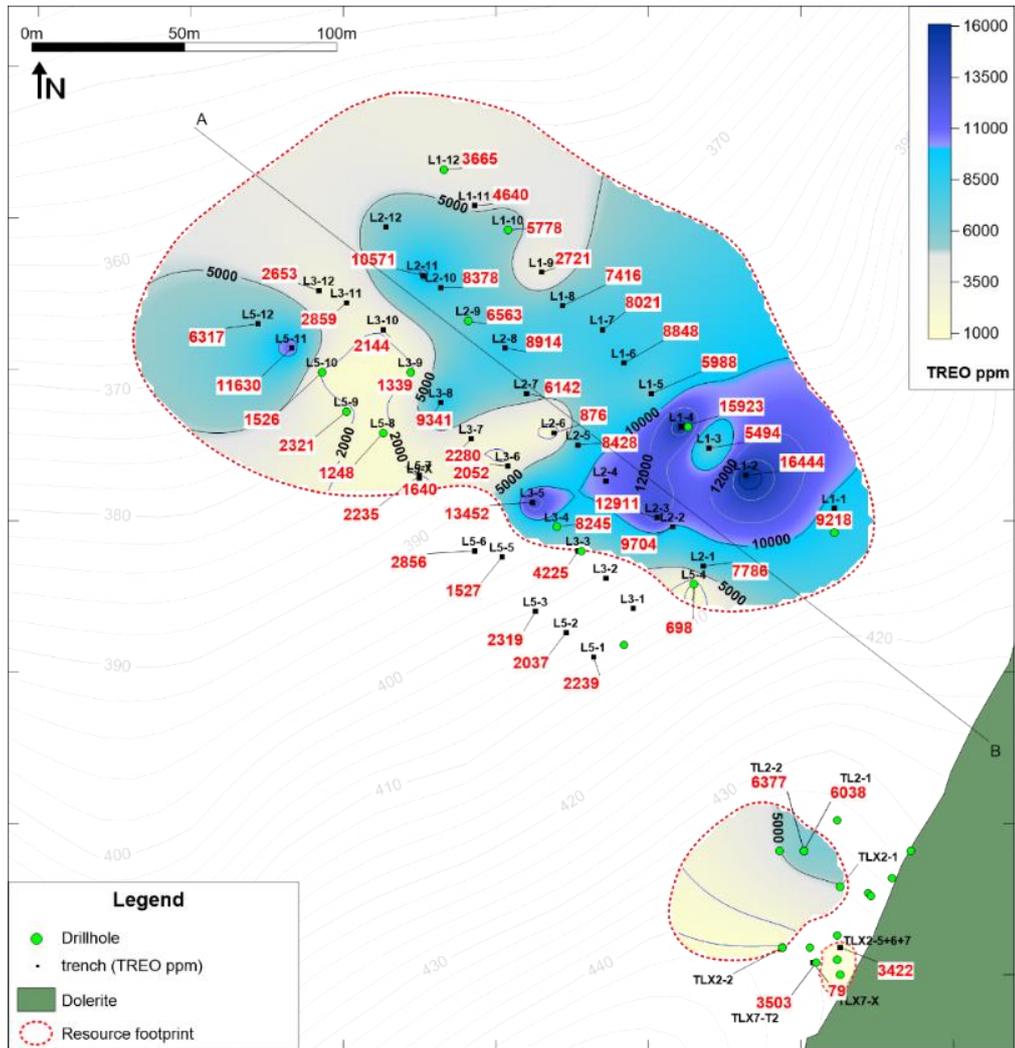


Figure 11: Trench Sampling TREO Contours

Drilling comprised 33 vacuum holes for a total of 407m to an average depth of 12m. Holes located within the carbonatite were mostly mineralised from surface to the end of hole. Significant results are listed in Table 3 and shown on Figure 12. Unmineralised holes appear to have intersected dolerite.

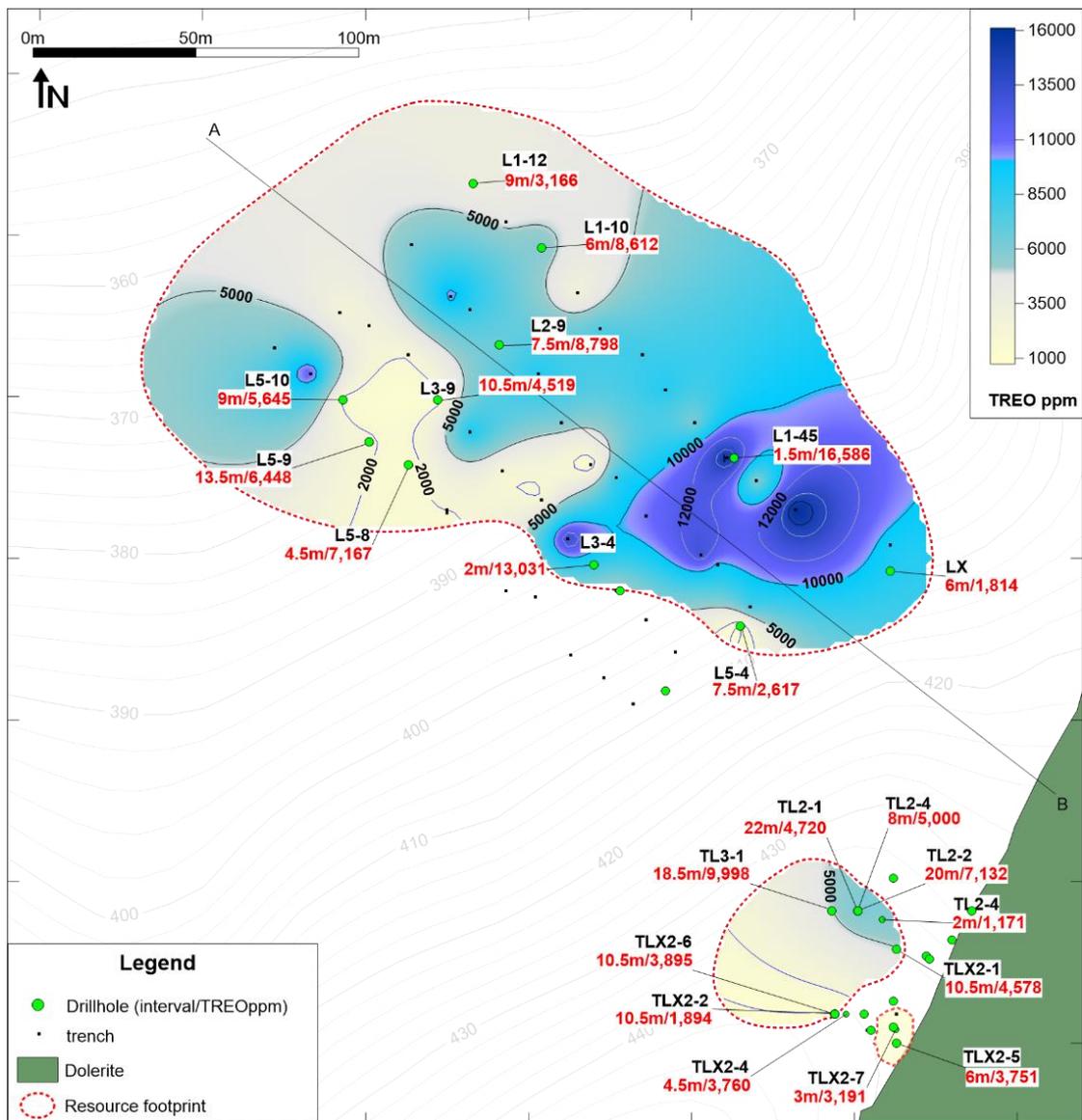


Figure 12: Drillhole Location Map on Trench Sampling TREO Contours

### Grade-Tonnage Estimate

The MRE (mineral resource estimate) was carried out using an inverse distance squared interpolation of composited drillhole assay data within an indicator radial bias function (Indicator RBF) constraint. Trench sampling results were used to confirm the spatial extent of mineralisation but were not used in the grade estimation.

The block models contain attributes pertaining to resource block, resource category, grade class, geologic domain and numerical attributes for TREO, rare earth oxides of all rare earth elements.

No metallurgical recovery work has been undertaken, however Eclipse believes that there are reasonable prospects for eventual economic extraction based on similar deposits elsewhere. Notable examples of carbonatite-derived REEs deposits are the Bayan Obo mine in China, Mountain Pass in the USA, and Mount Weld in Australia.

No open pit optimisation work has been carried and thus the MRE is reported on a global basis. The MRE is reported in Table 3 using a 2,000ppm TREO cut off.

The resource classified as inferred and is considered by the Competent Person to be appropriate for a project at this level of development. Resource upgrades may be possible with the adoption of either reverse circulation (RC) or diamond core sampling together with additional holes.

Classification	Inferred	Total
Tonnage (t)	1,180,000	1,180,000
Element	Grade (ppm)	Material Content (Tonnes)
TREO	6,859	8,070
LREO	6,266	7,380
HREO	593	700
MREO	2,385	2,810
CeO <sub>2</sub>	2,879	3,390
Dy <sub>2</sub> O <sub>3</sub>	75	90
Er <sub>2</sub> O <sub>3</sub>	16	20
Eu <sub>2</sub> O <sub>3</sub>	86	100
Gd <sub>2</sub> O <sub>3</sub>	188	220
Ho <sub>2</sub> O <sub>3</sub>	9	10
La <sub>2</sub> O <sub>3</sub>	789	930
Lu <sub>2</sub> O <sub>3</sub>	1	0
Nd <sub>2</sub> O <sub>3</sub>	1,879	2,210
Pr <sub>6</sub> O <sub>11</sub>	414	490
Sm <sub>2</sub> O <sub>3</sub>	306	360
Tb <sub>2</sub> O <sub>3</sub>	18	20
Tm <sub>2</sub> O <sub>3</sub>	2	0
Y <sub>2</sub> O <sub>3</sub>	193	230
Yb <sub>2</sub> O <sub>3</sub>	7	10

**Table 3: Grønnedal Classified Mineral Resource 9 February 2024 (Differences may occur in totals due to rounding)**

### Discussion of Drilling and Trenching Program Results

Overall, analysis of the Grønnedal trench samples in the carbonate-impregnated formation demonstrated unusual patterns for Pr/La and Nd/Ce ratios compared with other REE-mineralised carbonatite complexes such as Mountain Pass (California) and Mt Weld (Western Australia).

Lower La and Ce content measured by pXRF, has been confirmed by laboratory assay results across the Grønnedal complex or a significant part thereof, and indicate that REE mineralisation at Grønnedal contains a higher proportion of the commercially more valuable magnetic REE, Pr and Nd. The latter are often termed the 'magnet feed' REE which are critical elements for high-performance magnets in high demand from the automotive sector and for wind turbines.

More specifically, pXRF readings and laboratory assay results recorded thus far show a relatively large proportion of Pr and Nd, comprising up to 55% of the measured 4REE. Laboratory results also show a relatively large proportion of Pr and Nd comprising up to 60% of TREO in Trench L3 - 8.

This can be compared with other rare earth deposits:

- i) Grønnedal Pr+Nd: 55% of the measured 4REE (La+Ce+Pr+Nd)
- ii) Mountain Pass\* Pr+Nd: 17% of the measured 4REE (La+Ce+Pr+Nd)
- iii) Mount Weld CLD\* Pr+Nd: 25% of the measured 4REE (La+Ce+Pr+Nd)

\* Reference: Technology Metals Research, TMR (2015).

Such a difference in composition for the project could have positive implications for the so-called “basket price”. The basket price is described as the sum of the proportions of individual REOs in the product multiplied by the price of the individual REOs.

### Ivigtut Environmental and Social Impact Studies

Eclipse provided an update on the update on the scoping phase, progress toward a mining license, and completion of the Social and Environmental Impact Assessment (**SIA** and **EIA**).

The Company received a positive response and guidance from the Danish Centre for Environment and Energy (DCE) and Greenland Institute of Natural Resources (GINR) following review of Eclipse Metals initial Scoping and Terms of Reference report for its mining license 2007/45 at Ivigtût (Ivittuut) (refer to ASX announcement 6 April 2023). Eclipse has subsequently submitted the reports to Greenland’s Mineral Licence and Safety Authority (MLSA) to progress the Ivigtût project.

Several recommendations have been made to the Company, including water sampling prior to dewatering the pit. The Company is confident of being able to meet all requirements and expects progress to be made toward a mining license during 2024. The Company has completed water and seaweed sampling for assessment from around the historic sampling stations (mentioned in the 1995 environmental report) within the Ivigtût mine coastal marine precinct for comparison with historical results.

Eclipse is looking forward to receiving consent to commence pit dewatering process during the 2024 field season and to gaining access to mineralisation within the pit environment, which contains zinc, lead, silver, quartz and cryolite (refer to ASX announcements 10 March 2021 and 29 March 2021).

The scoping phase of the Environmental and Social Impact Assessments aims to identify potential environmental, social, and socioeconomic issues related to the project. This study is essential for pre-consultation and early involvement of the various stakeholders in the Greenland project.

The Social Impact Assessment (SIA) will run in parallel with the EIA and will present and analyse information about the social, economic, and health conditions in Greenland. As part of the study, the Company will interact with affected residents and communities during data collection to exchange information on project activities.

### Commencement of environmental and social studies for Ivigtût mining licence application

During the period Eclipse announced it had engaged a leading international consultancy group based in Europe to commence environmental and social studies for the multi-commodity Ivigtût project.

The consultancy has expertise across engineering, environmental science, and architecture and provides services including studies and concept design, design development and finalisation, planning/permissions, construction management, PMC services and asset management.

The group will work with Eclipse to assist in preparing environmental and social impact assessments (EIA and SIA) required for Eclipse’s application for an exploitation (mining) licence at Ivigtût from Greenland’s Mineral Licenses and Safety Authority (MLSA). This work will include data collection, mapping and public consultation for environmental and social studies.

Eclipse is committed to developing a strong ESG framework for the Greenland projects to include minimal environmental impact, developing and preserving local Ivigtût history, assistance to restore the Ivigtût Mining Museum and use of renewable power where possible.

### Bulk Sample Results from historic Ivigtût Cryolite Mine

During the period Eclipse received assay results for bulk samples of mineralised waste material from the historic Ivigtût cryolite mine within its 100% owned multi-commodity project in SW Greenland.

Metallurgical test-work has been initiated to evaluate potential for producing a saleable mineral concentrate on site. This concentrate could be readily shipped with minimal additional infrastructure to provide an early cashflow. The mineralised waste was produced during the extraction of 3.8 million tonnes of high grade cryolite from the 60m deep Ivigtût open pit mine over a period of 120 years (Reference: Greenland Mineral Occurrence Map & Occurrence data sheet). Materials with minerals other than cryolite were of no interest to the historic mine operator and were used as road-base and surface backfill or discarded on extensive mine dumps.

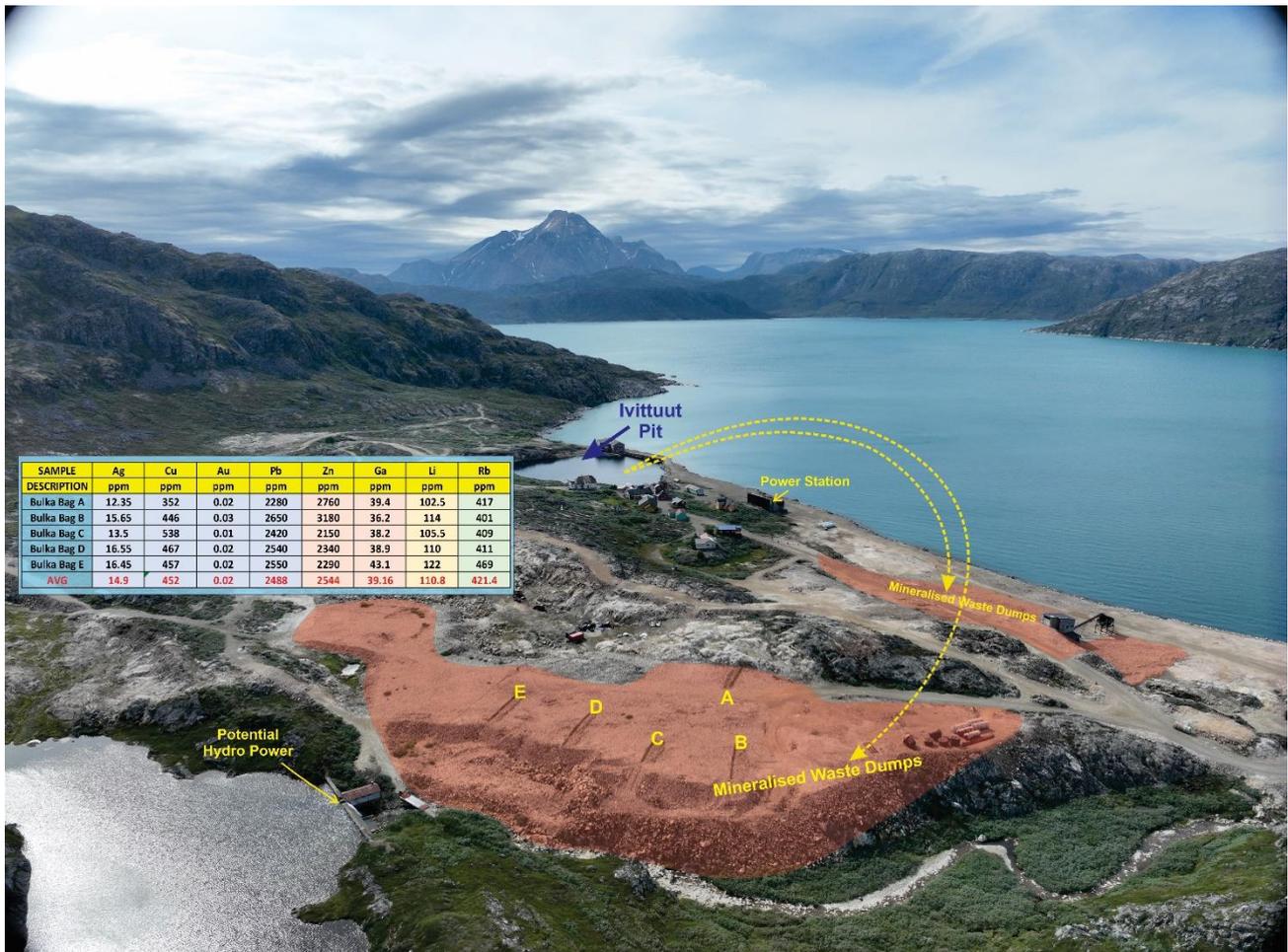


Figure 13: Mineralised waste dumps and trenches.

Five bulk samples collected by trenching of the mineralised waste dumps (refer to ASX Release dated 1 November 2022), were mixed and a sub-sample crushed and ground for analysis by the ME-MS61 method, returned the following summary results.

SAMPLE	Ag	Cu	Au	Ga	Zn	Pb	Li	Rb
DESCRIPTION	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
Bulka Bag A	12.35	352	0.02	39.4	2760	2280	102.5	417.0
Bulka Bag B	15.65	446	0.03	36.2	3180	2650	114.0	401.0
Bulka Bag C	13.50	538	0.01	38.2	2150	2420	105.5	409.0
Bulka Bag D	16.55	467	0.02	38.9	2340	2540	110.0	411.0
Bulka Bag E	16.45	457	0.02	43.1	2290	2550	122.0	469.0
AVG	14.9	452	0.02	39.16	2544	2488	110.8	421.4

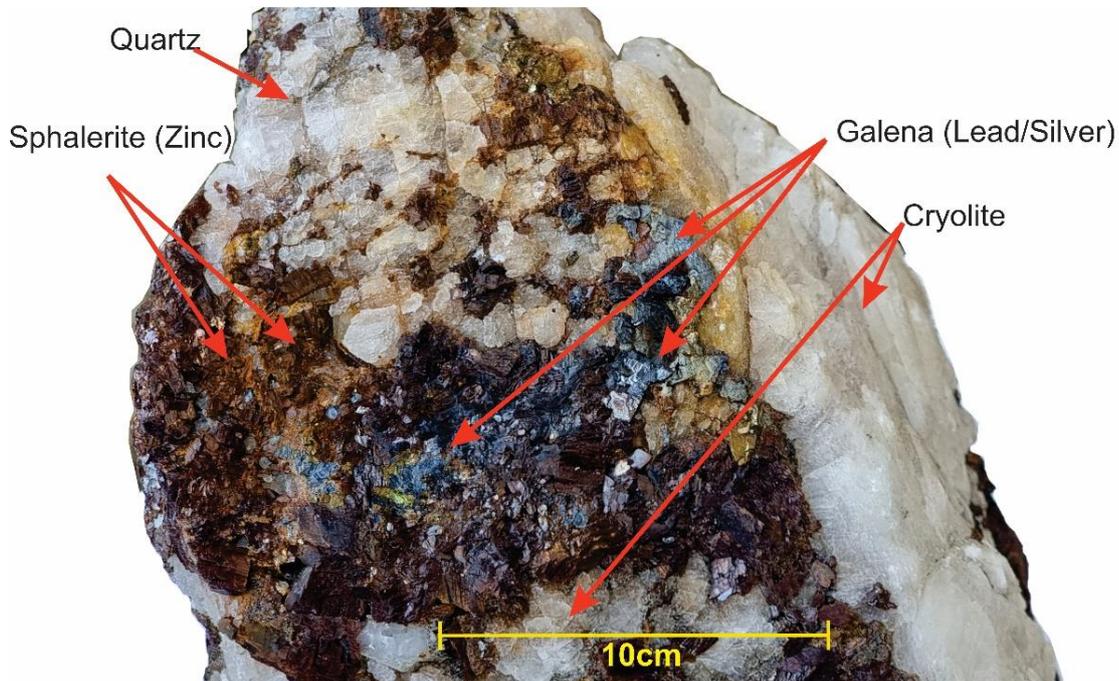


**Figure 14: Collecting several tonnes of bulk samples from 5 trenches in the mineralized dumps.**

Specimens from the waste dumps were observed to contain visible sulphide minerals, including galena (Pb sulphide), chalcopyrite (Cu sulphide), sphalerite (Zn sulphide) and pyrite (Fe oxide), as well as fluorite and the iron carbonate mineral siderite.

Gallium (Ga) is usually associated with zinc, silver (Ag) with lead (Pb) and gold (Au) with all sulphide minerals. The lithium (Li) content can likely be attributed to micas and the mineral cryolithionite, which has been identified at Ivigtût (refer to ASX Release dated 23 March 2022). The source of rubidium (Rb) is yet to be identified but is likely to be hosted by mica or feldspar.

Eclipse is considering a Ground Penetrating Radar (GPR) survey for the Ivigtût precinct to assess the potential volume of mineralised waste material. To date, there has been no comprehensive commercial assessment for other critical metals.



**Figure 15: Mineralised waste dump specimen visually estimated to consist of 60% cryolite and quartz; 20% Sphalerite; 10% Galena; 5% Chalcopyrite and 5% Siderite.**



**Figure 16: Mineralised waste dump specimen visually estimated to consist of 70% Galena; 10% Chalcopyrite; 10% Sphalerite and 10% Quartz.**



**Figure 17: Mineralised waste dump specimen visually estimated to consist of 90% siderite and 10% cryolite.**



**Figure 18: Mineralised waste dump specimen visually estimate to consist of 70% Purple Fluorite; 25% Green Fluorite; and 5% Cryolite.**

## Discussion

During 2022 grab sample G21011 from the Ivigtût prospect returned 430ppm  $\text{Li}_2\text{O}$ . Identification of the unique mineral Cryolithionite, which has only been recognised at Ivigtût, is encouraging for further exploration of the lithium potential of the project. Cryolithionite ( $\text{Li}_3\text{Na}_3\text{Al}_2\text{F}_{12}$ ) is a globally rare lithium-bearing fluoride mineral first described from Ivigtût (refer to ASX Release dated 23 March 2022).

Cryolithionite at Ivigtût is known to occur as crystals up to 19cm-long in massive cryolite and siderite/cryolite, cryolite veins, and fluorite/cryolite breccia. Anomalous lithium concentrations at Ivigtût are known to be associated with cryolithionite, jarlite, muscovite, biotite and zinnwaldite.

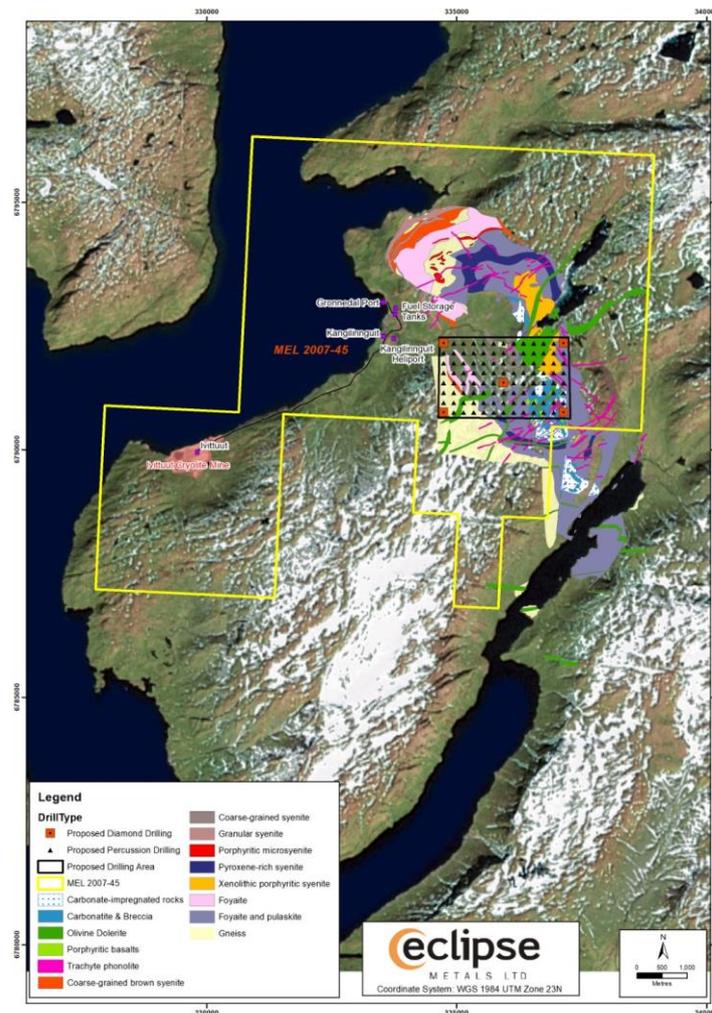


Figure 19: Map of Exploration Drill Targets.

## URANIUM – NORTHERN TERRITORY

As announced on 29 November 2021, the Company executed a heads of agreement with Oz Yellow Uranium Limited (**Oz Yellow**) regarding the conditional sale of the Company's interests in certain Northern Territory tenements, which comprise the Ngalia Basin Uranium Prospects and the Liverpool Uranium Project (**Proposed Transaction**).

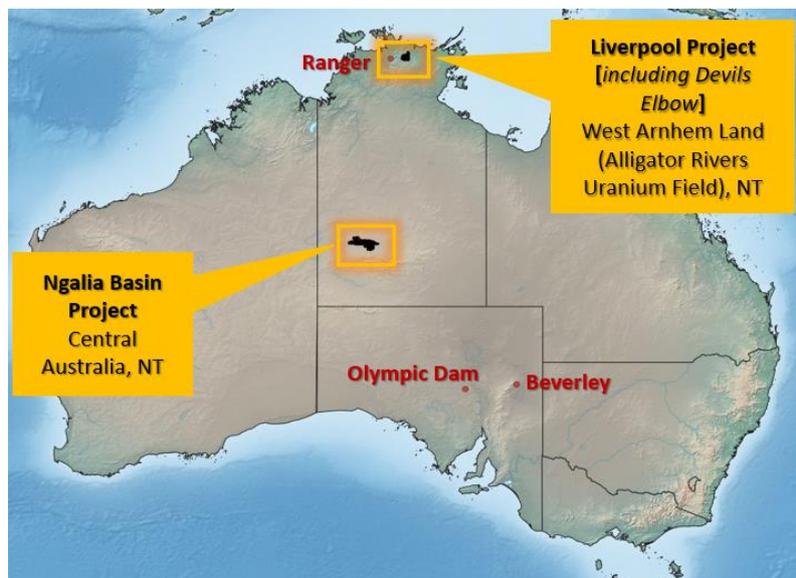


Figure 20: Uranium project locations in the Northern Territory marked in black.

- 5,646km<sup>2</sup> of ground across 13 tenements in Northern Territory
- 3 granted tenements ready for immediate exploration
- Uranium, gold-palladium, vanadium potential

The Proposed Transaction contemplates Oz Yellow undertaking an IPO and seeking a listing onto the official list of the ASX. In light of current positive momentum, there has been strong interest from several corporate financiers and lead managers to complete this transaction and submission of an in-principle application to list on the Australian Securities Exchange. During the quarter the Company engaged in discussions with Oz Yellow's corporate advisors and brokers about the completion of the Proposed Transaction. In addition, following a review of the NT Projects in the context of current market conditions, the structure of the IPO and consequently the structure of the consideration payable to Eclipse under the Proposed Transaction is under revision. The Company is expecting to update the market on the Proposed Transaction as details are finalised during FY24.

## CORPORATE

### Results of Annual General Meeting

Eclipse Metals held its Annual General Meeting of Shareholders on 8 November 2023. All resolutions put to shareholders at the annual general meeting were carried on a poll.

### Convertible Loan Agreement

In October 2023, Eclipse advised that it had entered into a convertible loan agreement with Oz Yellow Uranium Ltd (**Oz Yellow**) for A\$300,000 (**Convertible Note**). During the quarter \$150,000 of the Convertible Note was drawn down and on 24 November 2023 was wholly converted into ordinary shares at an issue price of \$0.008 per share.

Key components of the Convertible Note financing were as follows:

- A\$300,000 committed financing in the form of a Convertible Note that may be drawn down at Eclipse's request.
- No interest was payable and no security is granted.
- In the event Oz Yellow completes the Heads of Agreement (refer ASX announcement 4 April 2022) prior to the repayment date then the aggregate amount outstanding owed will be repaid to the Oz Yellow in full by way of deduction of such amount from any completion payments (**Automatic Repayment Event**).
- The repayment date was 31 December 2023 (**Repayment Date**).
- The Convertible Note was convertible into EPM shares on the 24<sup>th</sup> November 2023 utilising the Company's existing capacity under Listing Rule 7.1, in the following circumstances:

- Eclipse may at any time prior to the Repayment Date notify the Oz Yellow in writing of its intention to convert the whole or part of any outstanding monies into fully paid ordinary shares in EPM (**Conversion Notice**).
- If Eclipse provides a Conversion Notice under this clause, the relevant quantum of outstanding monies will convert at a conversion price equal to the higher of A\$0.008 and a 20% discount to the volume-weighted average price of EPM Shares on the ASX for the 60 trading days on which trades for EPM Shares were recorded immediately prior to the date the EPM provides the Conversion Notice.

### **Institutional Investment**

In October 2023, Eclipse announced that an institutional investment had been made by Pioneer Resource Partners, LLC (**Pioneer**). Proceeds from the investment will be used to fund exploration and the Company's general working capital requirements.

The investment is comprised of up to two tranches, with each investment being made by Pioneer by way of a prepayment for ordinary shares in the Company (**Shares**) to be issued by the Company (**Placement Shares**). The initial investment raised \$800,000 for \$872,000 worth of Placement Shares which are yet to be converted into ordinary shares. Additionally, a second investment raising up to \$1,500,000 for Placement Shares worth an equivalent amount may occur only by mutual consent of Pioneer and the Company.

The Company will have the right (but no obligation) to opt to repay the subscription amount by making a payment to Pioneer equal to the market value of the shares that would have otherwise been issued, instead of issuing shares to Pioneer. If the Company does not exercise that right, the Company will issue Placement Shares when requested by Pioneer, within 24 months of the date of the related prepayment. The number of shares so issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount, but subject to the Floor Price (as set out below).

The Purchase Price of the Subscription Shares will be equal to \$0.03 initially, representing a premium of approximately 200% to the closing price of the Company's shares on 26 October 2023. Subject to the Floor Price described below, after the initial month, the Purchase Price will reset to the average of the five daily volume-weighted average prices selected by Pioneer during the 20 consecutive trading days immediately prior to the date of Pioneer's notice to issue shares, less a 10% discount, rounded down to the nearest 1/10th of a cent if the share price is at or below 20 cents, or whole cent otherwise. The Purchase Price will, nevertheless, be the subject to the Floor Price of \$0.01. If the Purchase Price formula would result in a price that is less than the Floor Price, the Company may forego issuing shares and instead opt to repay the applicable subscription amount in cash (with a 12% annual premium), subject to Pioneer's right to receive Placement Shares at the Floor Price in lieu of such cash repayment. For the benefit of the Company, the Purchase Price will not be the subject of a cap.

The Company has issued 6,800,000 Placement Shares to Pioneer pursuant to ASX Listing Rule 7.1 at the time of the funding of the initial investment, towards the ultimate number of Placement Shares to be issued. Alternatively, in lieu of applying these shares towards the aggregate number of the Placement Shares to be issued by the Company, Pioneer may make a further payment to the Company equal to the value of these shares determined using the Purchase Price at the time of the payment.

The Company has issued 8,944,445 Shares to Pioneer in satisfaction of a fee under the Company's ASX Listing Rule 7.1 capacity.

### **Director Resignation**

On 3 October 2023 the Company advised that Dr Oliver Kreuzer had resigned as Non-Executive Director of Eclipse Metals effective 30 September 2023. The Board thanked Oliver for his contribution to the Company over his tenure and wishes him all the best in his future endeavours.

## Subsequent Events

On the 13<sup>th</sup> February 2024, 12,500,000 ordinary shares have been issued an issue price of \$0.006. This is in relation to the October 2023 capital raising.

There has not been any matter or circumstances that have arisen since the end of the reporting date and to the date of this report that significantly affects or may significantly affect the results of the operations of the Group.

## Competent Persons Statement

*The information in this report / ASX release that relates to Mineral Resource Estimates, Exploration Targets and Exploration Results is based on information compiled and reviewed by Mr. Alfred Gillman who is the Principal Geologist of the Independent Consulting firm Odessa Resources Pty Ltd. Mr. Gillman is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (FAusIMM) 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 Gillman consents to the inclusion in this report / ASX release of the matters based on information in the form and context in which it appears. Additionally, Mr Gillman confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.*

*The Company confirms that it is not aware of any new information or data that materially affects the Ore Reserves in this publication. The Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the RPM findings are presented have not been materially modified.*

**Tenement Schedule as at 31 December 2023****Granted Tenements**

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
MEL2007-45	Ivigtût Project	Cryolite & Rare Earths	Granted	Greenland	Eclipse Metals Limited Greenland	100	50km <sup>2</sup>
EL 24808	Cusack's bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	51
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd <sup>1</sup>	100	4
EL27584	Devil's Elbow	Uranium, Gold, Palladium	Granted	NT	North Minerals Pty Ltd <sup>3</sup>	100	30

**Tenement Applications**

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
ELA 24623	Eclipse	Cu, Uranium	Application	NT	Eclipse Metals Ltd	100	305
ELA 26487	Yuendi	Cu, Uranium	Application	NT	Whitvista Pty Ltd <sup>2</sup>	100	320
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

<sup>1</sup> Walla Mines Pty Ltd is a subsidiary of Eclipse Metals Ltd

<sup>2</sup> Whitvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

<sup>3</sup> North Minerals Pty Ltd is a subsidiary of Eclipse Metals Ltd

Key to abbreviations: Au = gold, Mn = manganese, Pd = palladium, REE = rare earth elements, U = uranium.

### **Auditor's Independence Declaration**

The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included on page 28 and forms part of the directors' report for the half- year ended 31 December 2023.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the corporations Act 2001.

On behalf of the directors



**Mr Carl Popal**  
**Executive Chairman**  
15 March 2024  
Perth, Western Australia



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www.stantons.com.au

15 March 2024

Board of Directors  
Eclipse Metals Limited  
Level 3, 1060 Hay Street  
West Perth, WA 6005

Dear Sirs

**RE: ECLIPSE METALS LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Eclipse Metals Limited.

As Audit Director for the review of the financial statements of Eclipse Metals Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(An Authorised Audit Company)

A handwritten signature in blue ink, appearing to read "Martin Michalik".

**Martin Michalik**  
Director



## Directors' declaration

In the directors' opinion:

- the attached consolidated financial statements and condensed notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and condensed notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Mr. Carl Popal**  
**Executive Chairman**  
15 March 2024  
Perth, Western Australia

## Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2023

	Note	Consolidated	
		Half-year ended	
		31 Dec 2023	31 Dec 2022
		\$	\$
<b>Continuing operations</b>			
Revenue and other income	2	4,383	5,299
Employee benefits expenses and director fees		(246,506)	(261,258)
Consultancy expenses		(108,013)	(49,733)
Professional services expenses		(46,156)	(74,990)
Listing expenses		(20,804)	(50,725)
Travel expenses		(22,666)	(48,333)
Administration expenses		(123,648)	(164,793)
Finance expenses	3	(218,659)	(608)
Depreciation of Right-of-Use Asset		-	(9,313)
Foreign exchange loss		-	(1,566)
Exploration expenses		(199,249)	(111,298)
<b>(Loss) before income tax</b>		<b>(981,318)</b>	<b>(767,318)</b>
Income tax expense		-	-
<b>(Loss) for the period</b>		<b>(981,318)</b>	<b>(767,318)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or (loss)		-	-
Items that may be reclassified subsequently to profit or (loss)		-	-
<b>Other comprehensive income for the period, net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) for the period</b>		<b>(981,318)</b>	<b>(767,318)</b>
<b>(Loss) attributable to:</b>			
Owners of Eclipse Metals Limited		(981,274)	(762,783)
Non-controlling interests		(44)	(4,535)
		<b>(981,318)</b>	<b>(767,318)</b>
<b>Total comprehensive (loss) attributable to:</b>			
Owners of Eclipse Metals Limited		(981,274)	(762,783)
Non-controlling interests		(44)	(4,535)
		<b>(981,318)</b>	<b>(767,318)</b>
<b>(Loss) per share:</b>			
Basic and diluted (cents per share)		(0.03)	(0.04)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the condensed notes to the consolidated financial statements.

**Consolidated statement of financial position as at 31 December 2023**

	Note	Consolidated	
		31 Dec 2023 \$	30 Jun 2023 \$
<b>Current assets</b>			
Cash and cash equivalents		921,134	879,591
Trade and other receivables		62,906	33,387
Prepayments		28,582	32,890
<b>Total current assets</b>		<b>1,012,622</b>	<b>945,868</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	4	12,598,393	12,420,937
<b>Total non-current assets</b>		<b>12,598,393</b>	<b>12,420,937</b>
<b>Total assets</b>		<b>13,611,015</b>	<b>13,366,805</b>
<b>Current liabilities</b>			
Trade and other payables		114,922	95,100
Accruals		74,300	82,800
Equity Liability – Pioneers Ltd	7	626,340	-
<b>Total current liabilities</b>		<b>815,562</b>	<b>177,900</b>
<b>Total liabilities</b>		<b>815,562</b>	<b>177,900</b>
<b>Net assets</b>		<b>12,795,453</b>	<b>13,188,905</b>
<b>Equity</b>			
Issued capital	5	35,905,003	35,376,643
Reserves	6	5,869,439	5,809,933
Accumulated losses		(28,921,798)	(27,940,524)
Owners of Eclipse Metals Limited		12,852,644	13,246,052
Non-controlling interests		(57,191)	(57,147)
<b>Total equity</b>		<b>12,795,453</b>	<b>13,188,905</b>

The consolidated statement of financial position is to be read in conjunction with the condensed notes to the consolidated financial statements.

**Consolidated statement of changes in equity  
for the half-year ended 31 December 2023**

	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Sub-total</b>	<b>Non-controlling interests</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2022</b>	<b>33,399,288</b>	<b>1,923,717</b>	<b>(25,443,721)</b>	<b>9,879,284</b>	<b>(24,714)</b>	<b>9,854,570</b>
(Loss) for the period	-	-	(762,783)	(762,783)	(4,535)	(767,318)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(762,783)</b>	<b>(762,783)</b>	<b>(4,535)</b>	<b>(767,318)</b>
Issue of Ordinary Shares	2,072,200	-	-	2,072,200	-	2,072,200
Option issued for Ivitut considerations	-	3,679,367	-	3,679,367	-	3,679,367
Share based payments	-	65,925	-	65,925	-	65,925
Share issue costs	(173,733)	75,000	-	(98,733)	-	(98,733)
<b>Balance at 31 December 2022</b>	<b>35,297,755</b>	<b>5,744,009</b>	<b>(26,206,504)</b>	<b>14,835,260</b>	<b>(29,249)</b>	<b>14,806,011</b>
<b>Balance at 1 July 2023</b>	<b>35,376,643</b>	<b>5,809,933</b>	<b>(27,940,524)</b>	<b>13,246,052</b>	<b>(57,147)</b>	<b>13,188,905</b>
(Loss) for the period	-	-	(981,274)	(981,274)	(44)	(981,318)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(981,274)</b>	<b>(981,274)</b>	<b>(44)</b>	<b>(981,318)</b>
Issue of Ordinary Shares	291,700	-	-	291,700	-	291,700
Equity instrument – Pioneers initial placement	245,660	-	-	245,660	-	245,660
Share based payments	-	59,506	-	59,506	-	59,506
Share issue costs	(9,000)	-	-	(9,000)	-	(9,000)
<b>Balance at 31 December 2023</b>	<b>35,905,003</b>	<b>5,869,439</b>	<b>(28,921,798)</b>	<b>12,852,644</b>	<b>(57,191)</b>	<b>12,795,453</b>

The consolidated statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated financial statements.

## Consolidated statement of cash flows for the half-year ended 31 December 2023

	Consolidated	
	Half-year ended	
	31 Dec 2023	31 Dec 2022
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(726,384)	(757,184)
Interest received	4,383	5,299
Net cash (used in) operating activities	(722,001)	(751,885)
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(177,456)	(501,594)
Net cash (used in) investing activities	(177,456)	(501,594)
<b>Cash flows from financing activities</b>		
Proceeds from rights issue/ capital raising	-	2,000,000
Share issue costs	(5,000)	(98,733)
Proceeds from issue of convertible debt securities	946,000	-
Repayment of lease liability	-	(8,690)
Net cash provided by financing activities	941,000	1,892,577
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>41,543</b>	<b>639,098</b>
Cash and cash equivalents at the beginning of the period	879,591	659,753
<b>Cash and cash equivalents at the end of the period</b>	<b>921,134</b>	<b>1,298,851</b>

The consolidated statement of cash flows is to be read in conjunction with the condensed notes to the consolidated financial statements.

## Condensed notes to the consolidated financial statements for the half-year ended 31 December 2023

### 1. Significant accounting policies

#### Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Group for the year ended 30 June 2023 together with any public announcements made during the following half-year.

The half-year financial report was authorized for issue by the directors on 15 March 2024.

#### a. Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial statement is intended to provide users with an update on the latest annual financial statements of Eclipse Metals Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group.

#### b. Going Concern

The financial report has been prepared on a going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary courses of business. For the half year ended 31 December 2023 the Group incurred a loss of \$981,318 (31 December 2022: loss \$767,318). Based upon the Group's existing cash resources of \$921,134 (30 June 2023: \$879,591) and the ability to draw down on funding of up to an amount of \$1,500,000, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the Group's 31 December 2023 half year financial report. In the event that the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

#### c. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

### 2. Revenue and other income

	31 Dec 2023	31 Dec 2022
	\$	\$
Interest income	4,383	5,299
	<b>4,383</b>	<b>5,299</b>

**3. Finance Expenses**

	31 Dec 2023	31 Dec 2022
	\$	\$
Bank Fees	4,959	608
Initial Issuance on placement	61,200	-
Subscriber fees paid in shares for capital raising	80,500	-
Additional cost associated with the con-note <sup>1</sup>	72,000	-
	<b>218,659</b>	<b>608</b>

1.Refer to note 7

**4. Exploration and evaluation expenditure**

	31 Dec 2023	30 Jun 2023
	\$	\$
Balance at the beginning of the period/year	12,420,937	9,197,172
Additions – Expenditure on Australian Tenements	2,550	19,393
Acquisition cost – Ivigtût <sup>1</sup>	-	3,679,366
Expenditure on the Ivigtût project	174,906	593,924
Write-off	-	(1,068,918)
Balance at the end of the period/year	<b>12,598,393</b>	<b>12,420,937</b>

**<sup>1</sup>Acquisition of Ivittut**

On 18 November 2022, Eclipse has issued to the vendors the following unlisted options as additional consideration (Phase 3 consideration options) pursuant to the agreement between Eclipse and the Ivittut vendors. The Phase 3 Consideration options were subject to shareholders approval and was approved on 9 November 2022. The fair value of these options which amounted to \$3,679,367 have been capitalised as acquisition cost of Ivittut.

- 180,000,000 options exercisable at \$0.015 expiring 18/11/2025
- 160,000,000 options exercisable at \$0.05 expiring 18/11/2027

These options were valued using the Black-Scholes valuation model. Details of the options issued are as follows:

Date Granted	Number Granted	Expiry Date	Expected Volatility	Risk free Interest Rate	Exercise Price	Share Price at Grant Date	Fair Value of Options
			%	%		\$	\$
18 Nov 2022	180,000,000	18 Nov 2025	89.82	0.03	\$0.015	0.019	0.01167
18 Nov 2022	160,000,000	18 Nov 2027	89.82	0.03	\$0.05	0.019	0.00986

**Exploration and evaluation expenditure**

There is uncertainty as to the recoverability of the deferred exploration and evaluation expenditure assets of Eclipse Metals Limited at their stated values. The recoverability of the deferred exploration and evaluation expenditure assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas.

**5. Issued Capital**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$</b>	<b>\$</b>
Fully paid ordinary shares (a)	35,905,003	35,376,643
	<b>35,905,003</b>	<b>35,376,643</b>

**(a) Fully paid ordinary shares**

	<b>31 Dec 2023</b>		<b>30 Jun 2023</b>	
	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
Balance at the beginning of period/year	<b>2,028,059,793</b>	<b>35,376,643</b>	<b>1,921,126,413</b>	<b>33,399,288</b>
Shares issued – Initial Issue to Pioneers	6,800,000	61,200	100,000,000	2,000,000
Equity valuation of Pioneers initial placement <sup>1</sup>	-	245,660	-	-
Shares issued in lieu of services	-	-	6,933,380	151,088
Subscriber fees paid in shares for capital raising	8,944,445	80,500	-	-
Issue of shares to Oz-Yellow – Convertible note	18,750,000	150,000	-	-
Share issue costs	-	(9,000)	-	(173,733)
Balance at the end of the period/year	<b>2,062,554,238</b>	<b>35,905,003</b>	<b>2,028,059,793</b>	<b>35,376,643</b>

<sup>1</sup> Refer to Note 7

The Company has issued 6,800,000 Placement Shares to Pioneer pursuant to ASX Listing Rule 7.1 at the time of the funding of the initial investment, towards the ultimate number of Placement Shares to be issued.

The Company has issued 8,944,445 Shares to Pioneer in satisfaction of a fee under the Company's ASX Listing Rule 7.1 capacity.

**6. Reserves**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$</b>	<b>\$</b>
Share-based payment reserves <sup>(1)</sup>	5,857,607	5,798,101
Other reserves	11,832	11,832
	<b>5,869,439</b>	<b>5,809,933</b>

<sup>(1)</sup> During the half year ended 31 December 2023, the movement in the share-based payment reserves were related to the performance rights issued in financial year ended 30 June 2021.

## 6. Reserves (Continued)

The terms and conditions of Performance Rights affecting remuneration in the current or future reporting years are as follows:

Dec 2023	Grant Date	No. of Performance Rights	Expiry date	Exercise price	Value at grant date <sup>(i)</sup>	Number vested	Vested (%)	Value vested for the period ended Dec 2023	Max value yet to vest	
	Tranche 1 <sup>(ii)(a)</sup>	26/05/21	8,625,000	04/06/24	NIL	0.02	-	-	\$25,843	\$25,843
	Tranche 3 <sup>(ii)(b)</sup>	26/05/21	4,625,000	04/06/24	NIL	0.0123	-	-	\$8,506	\$8,506
	Tranche 4 <sup>(ii)(c)</sup>	26/05/21	4,625,000	04/06/24	NIL	0.0114	-	-	\$7,901	\$7,901
	Tranche 1 <sup>(ii)(a)</sup>	31/05/21	2,000,000	04/06/24	NIL	0.02	-	-	\$6,119	\$6,119
	Tranche 3 <sup>(ii)(b)</sup>	31/05/21	1,000,000	04/06/24	NIL	0.0121	-	-	\$1,877	\$1,877
	Tranche 4 <sup>(ii)(c)</sup>	31/05/21	1,000,000	04/06/24	NIL	0.0112	-	-	\$1,744	\$1,744
	Tranche 1 <sup>(ii)(a)</sup>	01/06/21	1,125,000	04/06/24	NIL	0.02	-	-	\$3,442	\$3,442
	Tranche 3 <sup>(ii)(b)</sup>	01/06/21	1,125,000	04/06/24	NIL	0.0124	-	-	\$2,112	\$2,112
	Tranche 4 <sup>(ii)(c)</sup>	01/06/21	1,125,000	04/06/24	NIL	0.0115	-	-	\$1,962	\$1,962
			<b>25,250,000</b>			-	-	-	<b>\$59,506</b>	<b>\$59,506</b>

(i) The value at grant date has been calculated in accordance with AASB 2 Share based payments.

(ii) The Performance Rights vest and become exercisable by the holder upon the Company:

(a) Announcing a minimum JORC code of compliant resource in any one of the following minerals:

(i) 2.8 mt @ 95% SiO<sub>2</sub>;

(ii) 150 kt @ 18% FI;

(iii) 0.5 mt @ 16% Cy;

(iv) 0.5 mt @ 25% Fe;

(v) 50 kt @ 1.1 Zn.

(b) Achieving a 30-day volume weighted average share price (VWAP) of \$0.08 or more.

(c) Achieving a 30-day volume weighted average share price (VWAP) of \$0.10 or more.

## 7. Funding from Pioneer Resource Partners

The Company entered into an Investment Agreement with Pioneer Resource Partners, LLC (“Pioneer”), on 27 October 2023 (the “Investment Agreement”). Under the Investment Agreement, Pioneer agreed to invest up to an aggregate of \$2,300,000 and the Company to issue shares to Pioneer and/or make cash payments up to an aggregate subscription price of \$2,372,000.

The Investment Agreement consists of an initial investment by Pioneer of \$800,000 that may be converted into \$872,000 worth of shares and subsequent investments up to \$1,500,000 in total that may be determined by mutual consent between the Company and Pioneer. As at the date of this report, Pioneer has invested the initial \$800,000 but no other investment amounts have been agreed.

## 7. Funding from Pioneer Resource Partners (Continued)

The investment from Pioneer has been treated as a compound financial instrument consisting of a liability and an equity component. As per AASB 9, the fair value of the liability has been calculated first with the residual value being assigned to the equity component.

The fair value of the liability was calculated as follows:

Amount outstanding	800,000
Start date	27/10/2023
Maturity Date	6/11/2025
Discount rate	25.00%
Discount factor	0.6357
<b>Present Value of Liability</b>	<b>554,340</b>

An amount of \$72,000 is added to the present value of the liability of \$554,340, totaling \$626,340, to reflect the total value of shares outstanding of \$872,000.

The equity component value is the residual value after subtracting the liability component value from the total value of the Convertible Investment.

Total value of convertible investment	800,000
Cost on conversion	72,000
Liability Component	(626,340)
<b>Equity Component</b>	<b>245,660</b>

## 8. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities at the end of the reporting period.

## 9. Commitments

### a. Leasing commitments

At the half-year ended 31 December 2023, the Group had a lease agreement with Bullion Ventures Pty Ltd. The lease is on an ongoing basis and the Company may give one months' notice to terminate the lease otherwise the Company can also re negotiate the rent agreement.

### b. Exploration commitments

Exploration commitments for the next one (1) year totalled \$526,500. These commitments may vary depending on whether the Group relinquishes any tenements or enters into formal arrangements.

## 10. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2023 annual financial report.

Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

## 11. Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group has two reportable segments during the period ended 31 December 2023.

	Australia \$	Greenland \$	Consolidated \$
<b>Half-Year ended 31 December 2023</b>			
Interest Income	4,383	-	4,383
Total segment income	4,383	-	4,383
Employee benefits expenses and director fees	(246,506)	-	(246,506)
Consultancy expenses	(96,000)	(12,013)	(108,013)
Professional services expenses	(46,156)	-	(46,156)
Listing expenses	(20,804)	-	(20,804)
Travel expenses	(22,666)	-	(22,666)
Administration expenses	(116,007)	(7,641)	(123,648)
Finance expenses	(213,967)	(4,692)	(218,659)
Exploration expenses	(86,302)	(112,947)	(199,249)
<b>Loss for the period</b>	<b>(844,025)</b>	<b>(137,293)</b>	<b>(981,318)</b>
<b>At 31 December 2023</b>			
Current assets	1,012,622	-	1,012,622
Exploration expenditure	1,573,181	11,025,212	12,598,393
Current liabilities	(815,562)	-	(815,562)
<b>Net Assets</b>	<b>1,770,241</b>	<b>11,025,212</b>	<b>12,795,453</b>
<b>Half-Year ended 31 December 2022</b>			
Interest Income	5,251	-	5,251
Other Income	48	-	48
Others	-	-	-
Total segment income	5,299	-	5,299
Employee benefits expenses and director fees	(261,258)	-	(261,258)
Consultancy expenses	(37,572)	(12,161)	(49,733)
Professional services expenses	(74,990)	-	(74,990)
Listing expenses	(50,725)	-	(50,725)
Travel expenses	(46,197)	(2,136)	(48,333)
Administration expenses	(157,013)	(7,780)	(164,793)
Finance expenses	(360)	(248)	(608)
Depreciation of Right-of-Use Asset	-	(9,313)	(9,313)
Foreign exchange loss	-	(1,566)	(1,566)
Exploration expenses	(70,709)	(40,589)	(111,298)
<b>(Loss) for the period</b>	<b>(693,525)</b>	<b>(73,793)</b>	<b>(767,318)</b>
<b>At 31 December 2022</b>			
Current assets	1,455,539	4,782	1,460,321
Rights-of-use asset	-	9,313	9,313
Exploration expenditure	2,656,620	10,721,513	13,378,133
Current liabilities	(33,896)	(7,860)	(41,756)
<b>Net Assets</b>	<b>4,078,263</b>	<b>10,727,748</b>	<b>14,806,011</b>

**12. Subsidiaries**

Entity	Incorporation	Percentage owned (%) *	
		31 Dec 2023 Ownership	30 Jun 2023 Ownership
North Minerals Pty Ltd	Australia	100.00	100.00
Central Energy Pty Ltd	Australia	100.00	100.00
Whitvista Pty Ltd	Australia	100.00	100.00
U308 Agencies Australia Pty Ltd	Australia	100.00	100.00
Walla Mines Pty Ltd (i)	Australia	87.17	87.17
Contour Resources Pty Ltd	Australia	99.48	99.48
Eclipse Greenland	Greenland	100	100

\* Percentage of voting power is in proportion to ownership.

(i) Direct and indirect percentage owned.

**13. Subsequent events**

On the 13<sup>th</sup> February 2024, 12,500,000 ordinary shares have been issued an issue price of \$0.006. This was in relation to the October 2023 capital raising.

There has not been any matter or circumstances that have arisen since the end of the reporting date and to the date of this report that significantly affects or may significantly affect the results of the operations of the Group.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
ECLIPSE METALS LIMITED**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of Eclipse Metals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the accompanying half-year financial report of Eclipse Metals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Eclipse Metals Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 15 March 2024.

**Material Uncertainty Relating to Going Concern**

As referred to in Note 1(b), the consolidated financial statements have been prepared on a going concern basis. For the half-year ended 31 December 2023, the Group incurred a loss after income tax of \$981,318, had net cash outflows from its operating activities of \$722,001, and had cash and cash equivalents of \$921,134 as at 31 December 2023.



The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further equity or in exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Our opinion is not modified in respect of this matter.

***Responsibility of the Directors for the Financial Report***

The directors of Eclipse Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility for the Review of the Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*

A handwritten signature in blue ink that reads "Martin Michalik".

**Martin Michalik**  
Director

West Perth, Western Australia  
15 March 2024