

29 July 2021

Quarterly Activities Report and Appendix 5B **For the Quarter ending 30 June 2021**

IVITTUUT PROJECT– GREENLAND

COMMENCING EXPLORATION ACTIVITIES AT THE WORLD'S LARGEST CRYOLITE MINE WITH REE POTENTIAL

Eclipse acquired mineral exploration licence, MEL2007-45, in Greenland in January 2021.

The project area hosts the historic Ivittuut cryolite mine and undeveloped mineral resources, including a large REE-bearing carbonatite deposit. Over 120 years between 1865 and 1985, the Ivittuut mine produced 3.8 million tonnes of high-grade cryolite, for use in the aluminium industry, from the world's largest known minable resource of naturally occurring cryolite.

During the quarter, Eclipse received confirmation from the Government of Greenland of a four-year extension to its Ivittuut Project mineral exploration licence, MEL2007-45, to 31 December 2024 and heavily reduced minimum expenditure commitments for the first year of tenure.

The changes follow Greenland's Minister for Mineral Resources, Naaja Nathanielsen, signing addendum No. 6 to the licence document granted to Eclipse, providing the updated conditions.

Subsequent to quarter end, on 7 July 2021, Eclipse announced it had received approval for an initial fieldwork programme at Ivittuut. Approval to commence on 1 August 2021 has now been granted following receipt of formal advice from the Greenland Mineral Licence and Safety Authority. This approval will enable Eclipse Metals to assess access, ground conditions and confirmation of geological features at Ivittuut.

Eclipse's approved programme of work at Ivittuut will include field assessment and general inspection and familiarisation by the new field team, sampling of the existing mullock heaps and sampling of geological bulk intrusions. This appraisal will pave the way for further testwork to facilitate calculation of a JORC-compliant mineral resource estimate and project feasibility study.

An initial sampling program will include collection of representative samples from the Ivittuut mine tailings and low-grade waste dumps and the Gronnedal-Ika carbonatite.

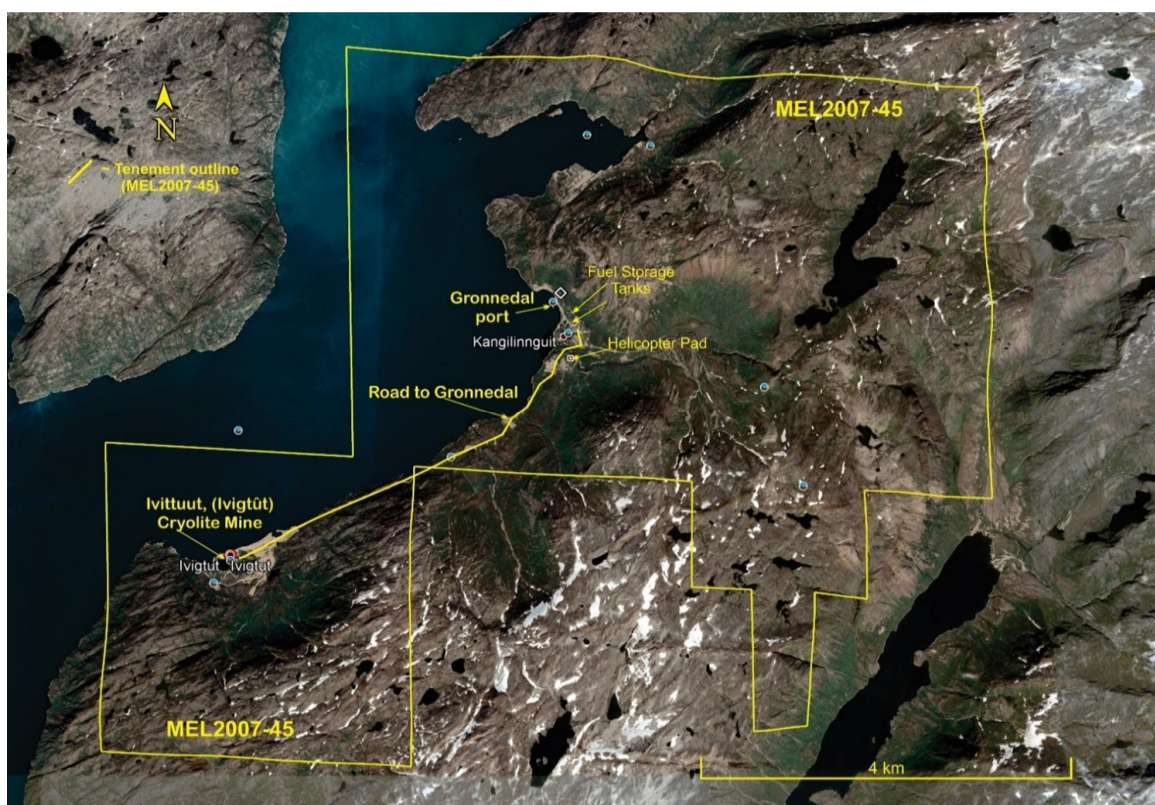


Figure 1: Ivittuut Project Location Map – MEL 2007- 45

NORTHERN TERRITORY- NGALIA BASIN URANIUM PROSPECTS (Refer map)

The Ngalia Basin is located approximately 300km west-northwest from Alice Springs and is considered highly prospective for sandstone roll-front and paleochannel style uranium mineralisation.

Currently, the company holds approx. 274 km² of granted tenure (EL24808 & EL32080) with another 7,280 km² exploration licence applications (ELA's 24623, 31499-31502 & ELA's 32077-32079 & ELA 26487) within the Ngalia Basin.

The Ngalia Basin notably hosts the following deposits:

1. Bigrlyi Deposit (inferred and indicated resources of 9,570t of U₃O₈ at 1,283 ppm and 8,930t of V₂O₃ averaging 1197 ppm at 500 ppm U₃O₈ cut-off);
2. Capper Deposit (Inferred Resource 3,200t of U₃O₈, averaging 145 ppm U at 100ppm cut-off); and
3. Napperby Project (inferred resource of 3,643t of U₃O₈ at 382 ppm U at and 2,251t of V₂O₃ grading 236 ppm at 200 ppm U₃O₈ cut-off).

Eclipse Metals is seeking drilling rigs to conduct initial reconnaissance drilling in EL24808 (Cusack's Bore) and EL32080 (Ngalia North), in the northern part of Ngalia Basin, targeting potentially uranium/vanadium bearing paleochannels indicated from its 2019 geophysical gravity survey over EL24808. Paleochannels from Cusack's Bore appear to extend south into Ngalia North, which will be verified with further gravity or seismic surveys prior to drilling.

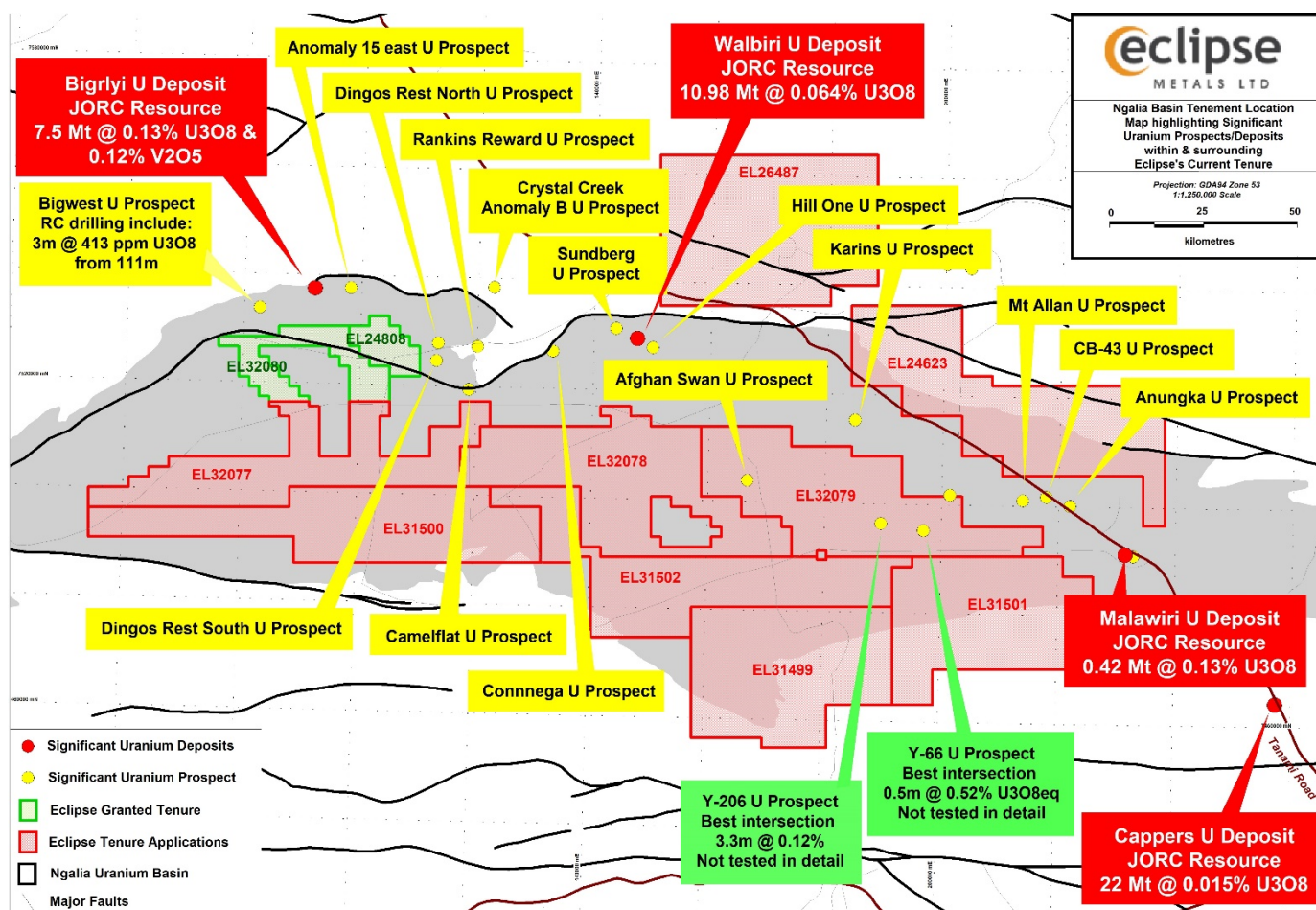


Figure 2: Eclipse Metals Ngalia Exploration Licence Location Map showing various U Resources and Prospects

During the quarter Eclipse announced its ongoing evaluation and desktop review of exploration within ELA31051 had identified shallow uranium-vanadium-strontium mineralisation in RAB drilling results from the Mt Wedge Station and Rabbit Bore areas.

Interpretation of data from a previous airborne geophysical survey highlighted several untested high-priority drill targets with geophysical signatures similar to other uranium deposits in the prospective Ngalia Basin. Mineralised envelopes of uranium-vanadium-strontium results include 0.5m @ 960ppm U and 570ppm Sr (strontium) from 1m and 1.0m @ 110ppm V and 4.8% Sr from 2m.

Mineralised envelopes of uranium-vanadium-strontium vary from 1m to 3m thick. Best intersections include:

- Drill Hole NW17 – 1.5m @ 110 ppm V and 4.14% Sr from 8.5m
- Drill Hole NW24 – 1m @ 1.93% Sr from 2.5m
- Drill Hole NW34 – 1m @ 120 ppm V and 4.80% Sr from 2m
- Drill Hole NW62 – 1m @ 230 ppm U and 0.23% Sr from 4m
- Drill Hole NW99 – 1m @ 110 ppm U and 0.25% Sr from 2m
- Drill Hole NW103 – 1m @ 200 ppm U and 0.11% Sr from 1m
- Drill Hole NW112 – 1m @ 310 ppm U and 0.11% Sr from 1m
- Drill Hole AK6 – 0.5m @ 960 ppm U and 570 ppm Sr from 1m
- Drill Hole AK8 – Surface sample 0.13% U and 0.54% Sr

These highly anomalous near-surface historical exploration drilling results indicate excellent potential for ELA31501 to host uranium-vanadium and strontium mineralisation. This tenement application area shows all the geological hallmarks for discovery of blind mineralisation. The size of the untested mineralised zone is very extensive with excellent potential to delineate further mineralisation through shallow drilling.

ELA31501 tenement is located about 300km north-west of Alice Springs in the Northern Territory. Currently, Eclipse Metals holds two granted exploration licences and eight exploration licence applications in the Ngalia Basin, with a combined area of approx. 7,550km² situated within this extensive uranium mineralised region. To the north, roll-front uranium mineralisation at Bigrlyi occurs in Devonian aged sandstones of the Ngalia Basin.

ELA31501 has an area of approx. 790km² proximal to Energy Metals Ltd's (ASX: EME) Cappers Uranium deposit (3,200t @ 145 ppm U) about 3.7km from the eastern boundary of the exploration licence and Malawiri Uranium deposit about 6.6km north-east from ELA31501 (Figure 2).

All historical data for the Project sourced in open file reports from the Northern Territory Geological Survey (NTGS) open file portal was digitised and geological maps, assay data and cross sections from Uranerz Australia Pty Ltd were evaluated.

Eclipse reviewed and digitised historic data, comprising paper cross-sections and plans containing both lithological and analytical data, to form the significant drill hole location map. This review indicated the data are reliable and methods used were appropriate to the industry standards of that time.

Eclipse recorded data from 149 RAB historical drill holes for 1,243m of drilling (refer Appendix B, 7 June ASX Announcement). Analytical data associated with each hole was digitally captured to form a database. The data was derived from laboratory analytical reports contained within 172 pages of NTGS Reports CR1980/0133 and CR1981/0173 and verified with historic cross sections and plans.

Eclipse is planning further work on re-interpretation of airborne radiometric data to delineate the source of the anomalies and is progressing with negotiations through the Central Land Council to facilitate an exploration agreement with the Traditional Owners to commence exploration within the licenced area ELA31501.

The company has reviewed the reprocessing details and re-interpretation of all available geophysical data, targeting particularly radiometric anomalies to complete further RAB drilling of the strongly mineralised zone and infill drilling of the western and central portion of the Exploration Licence area.

NGALIA BASIN BASE METAL PROSPECTS (Refer map)

In April, Eclipse announced it had identified very encouraging historical diamond drilling results in an ongoing evaluation and desktop review of exploration on its ELA26487 Yuendi exploration licence application area (in the name of its wholly owned subsidiary Whitvista Pty Ltd). This ELA is one of the Company's Ngalia base-metal prospects in the Northern Territory within the Aileron Province of the Arunta Block.

Historical drilling results demonstrated presence of significant wide copper-zinc-silver mineralisation within the Mt Hardy and Yuendumu areas of the Arunta Complex.

Best results included:

- 11.6m @ 0.43% Cu, 0.3m @ 10.20% Cu, 27g/t Ag (DDH1);
- 3.0m @ 2,288g/t Ag (DDH3)
- 3.0m @ 1,118g/t Ag (DDH3); and
- 38.1m @ 0.14% Zn (DDH1).

Eclipse Metals believes this ELA area has the potential to host significant base metal and silver mineralisation. The Aileron Province has been subject to relatively limited historical mining and is under-

explored compared with other Proterozoic orogenic regions. The province has a high base metal and gold endowment.

Strong base metal and silver mineralisation results reported in historical drilling records indicate excellent potential to host high-grade and broad zones of mineralisation within ELA26487. Extensive visible copper mineralisation (consisting of malachite, azurite, chrysocolla) in historically mined prospects runs over several kilometres. The Rock Hill mineralised zones all remain untested by modern day exploration techniques. The only exploration work conducted over the Rock Hill Copper Mineral Field was completed by the Northern Territory Geological Survey in 1970 – more than 50 years ago.

ELA26487 is ~300km north-west of Alice Springs in the Northern Territory. The Rock Hill Project tenement has an area of approximately 1,017km² situated 6.5km north of the Yuendumu Indigenous Community settlement.

The Rock Hill prospects lie approx. 20km southeast from the Mt Hardy Copper field held by Todd River Resources Ltd, which has yielded a JORC Resource of 2.6 Mt @ 6.7% Zn, 0.9% Cu, 1.5% Pb, 35 g/t Ag.

EPM's projects within the Ngalia basin include two granted exploration licences (ELs) and eight EL applications with an area of approx. 7,000km². The Company's portfolio of strategic tenements within the basin covers parts of the Ngalia Basin and parts of the surrounding Arunta Block, where ELA 26487 is located (Figure 2).

Eclipse has reviewed data from 912m of drilling in eight historical diamond holes. Analytical data associated with each hole has been digitally captured to form a database.

Data was derived from laboratory analytical reports contained in 17 pages in NTGS Report CR1970/001 and verified with historic cross sections and plans. See ASX Announcement 20 April 2021 for full details.

Eclipse is currently communicating with the Central Land Council to commence negotiation with Traditional Owners for exploration and mining rights over ELA26487.

Subject to approval from the Traditional Owners, Eclipse plans to undertake an airborne EM survey similar to the exploration methods used in the delineation of resources within the Mt Hardy copper field. This will be followed by further RC drilling in strongly mineralised zones and further infill diamond drilling within the western and central portion of the Exploration Licence area.

Reconnaissance exploration will include the Mt Hardy Prospect No.6 (polymetallic Cu-Pb-Zn-Ag mineralised vein) in the north-western portion of ELA26487. No exploration is known to have been conducted over this prospect area.

CORPORATE

Greenland office

During the quarter, Eclipse opened an office in Greenland as it prepares for exploration activities at Ivittuut. The office is located at Shalmi AS, Postboks 456, 3900 Nuuk, Greenland.

Director resignation

Mr Pedro Kastellorizos resigned as Non-Executive Director of Eclipse Metals effective 31 May 2021. The Board thanked Pedro for his contribution to the Company over his tenure.

Results of Meeting

At a general meeting of Shareholders on 26 May 2021, all resolutions put to shareholders were carried via a poll. Resolutions were as follows:

1. Ratification of Prior Issue of Phase 1 Consideration Shares to Ivittuut Vendors
2. Approval to Issue Phase 2 Consideration Securities to Ivittuut Vendors
3. Ratification of Prior Issue – Placement Shares
4. Adoption of Long-Term Incentive Plan
5. Issue of Director Performance Rights – Mr Carl Popal
6. Issue of Director Performance Rights – Mr Rodney Dale

A resolution relating to Director Performance Rights for Mr Kastellorizos was withdrawn prior to the meeting following his resignation from the Board.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter was \$59,000 Full details of exploration activity during the quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter: \$68,000 cash. The Company advises that this relates to non-executive, executive directors' fees and consulting fees only. Please see the Remuneration Report in the Annual Report for further details on Directors' Remuneration.

This report has been authorised for release by the Board. For further information please contact:

Carl Popal

Executive Chairman
T: +61 8 9480 0420

Rod Dale

Non-Executive Director
T: +61 8 9480 0420

Competent Persons Statement

The information in this report / ASX release that relates to Exploration Results and Exploration Targets is based on information compiled and reviewed by Mr. Rodney Dale, Non-Executive Director of Eclipse Metals Ltd. Mr. Dale holds a Fellowship Diploma in Geology from RMIT, is a Fellow 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 Dale 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 Dale 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.

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. During the quarter there were no changes in the Company's interests in its tenements.

Granted Tenements

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
MEL2007-45	Ivittuut Project	Cryolite & Rare Earths	Granted	Greenland	Eclipse Metals Limited Greenland	100	50km ²
EL 24808	Cusack's Bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	63
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
EL27584	Devil's Elbow	Uranium, Gold, Palladium	Granted	NT	North Minerals Pty Ltd ³	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 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 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. Whitvista 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

Eclipse Metals

ABN

85 142 366 541

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(59)	(339)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(175)	(533)
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	Government grants and tax incentives		
1.8	Other (BAS Refund)	-	44
1.9	Net cash from / (used in) operating activities	(234)	(828)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements	(25)	(75)
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	-	(108)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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	(25)	(183)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,000
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(143)
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	-	1,857

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,067	962
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(234)	(828)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	(183)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,857

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,808	1,808

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	1,808	2,067
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)	1,808	2,067

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

68

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments – **Director Fees \$65K and consulting and geological services \$3K**

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	234
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	234
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,808
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,808
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	7.7
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

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.

Date: 29 July 2021

Authorised by: Matthew Foy
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.