

27 July 2011

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QUARTERLY REPORT FOR PERIOD ENDING 30 June 2011

Highlights

Corporate

- Options Entitlement announced on the 22nd June 2011. The issue is expected to be closed in late July.

Exploration:

- Company planning to accelerate exploration in the prospective Ngalia Basin
- Funding awarded by the Northern Territory Department of Resources for Tempest EM survey at the Eclipse Project in the Ngalia Basin.
- Initial reconnaissance field trip of Pine Creek tenements.

Exploration

Eclipse Project

The Ngalia Basin hosts Energy Metals Ltd's (ASX: EME) Bigrlyi resource (9,600 t of U_3O_8 at 1,283 ppm and 8,900 t of V_2O_5 at 1,197 ppm at a cut of grade of 500ppm U_3O_8 inferred and indicated resources) and Deep Yellow Ltd's (ASX: DYL) Napperby Project (3,351 t of U_3O_8 at 359 ppm at a cut of grade of 200ppm U_3O_8 inferred resources). Thundelarra Exploration (ASX: THX) have recently returned results of 7.1m at 1,408 ppm eU_3O_8 and 1.6m at 1,174 ppm eU_3O_8 . THX have identified mineralisation over 15 kilometres

BOARD

Mark Fogarty
Managing Director

Brett Smith
Non-Executive Chairman

Paul Kelly
Non-Executive Director

Emilio Pietro Del Fante
Non-Executive Director

COMPANY SECRETARY

Melissa Chapman

REGISTERED OFFICE AND PRINCIPLE PLACE OF BUSINESS

18 Oxford Close
Leederville WA 6007

COMMUNICATION DETAILS

Telephone: +61 8 6382 5577
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AUSTRALIAN BUSINESS NUMBER

85 142 366 541

SHARE REGISTRY

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153

ASX CODE

EUL

which correlate well with palaeovalleys interpreted from Tempest EM programs.

The Eclipse Uranium Project comprises three granted tenements (EL 24625, EL 24808 and EL 24637) and three exploration licence applications in the Ngalia Basin (Figure 1). The project covers substantial ground and is considered highly prospective for sandstone hosted uranium mineralisation.

Historical Tempest work completed on EL 24625 appears to show variation within, what is interpreted to be, Tertiary sediments in a similar style to the Thundelarra tenements. The Company proposes to extend this geophysics to cover the project area, so that favourable drill targets are defined.

Eclipse Project

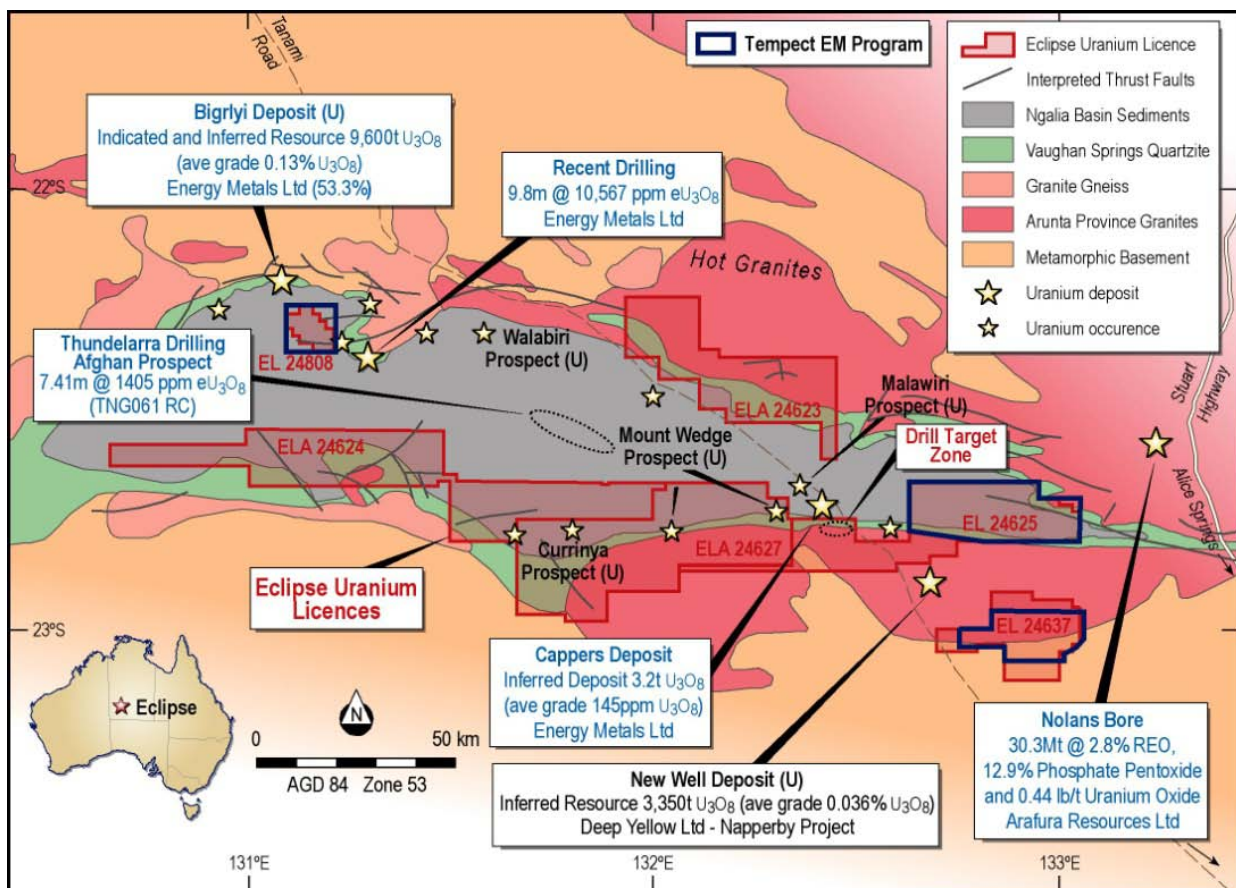


Figure 1:- Eclipse Project Location Plan

Eclipse Uranium Limited has been successful applicants for the Northern Territory Department of Resources *Bringing Forward Discovery Initiative*, part of a geophysics and drilling collaboration program with the industry. Eclipse has received a grant of approximately \$53,000 from the program which will be used to fly an airborne Tempest survey over EL 24625. Further Tempest work will also be completed on EL 24808 and EL 24637.

A Mining Management Plan has been approved for EL24808 for 40 holes which are targeting a similar style of mineralisation to Bigrlyi and the Yuendumu Thrust Fault. The company has had a clearance survey completed by the Central Land Council and are currently awaiting the final report.

In Early 2011 the company completed some preliminary drilling, on a radiometric anomaly, at the Stuart Bluff Area on EL24625 with all holes ending in granitic basement. Low level anomalous uranium values were encountered indicating that uranium is present in the system.

Pine Creek Project

The Pine Creek Project (Figure 2) comprises 6 granted tenements within the region of the Pine Creek Orogen covering 1,114km². The area is considered highly prospective for unconformity style uranium.

The Adelaide River Tenement (EL 24880) is considered prospective for vein hosted mineralisation associated with a large north east trending regional fault structure. Previous work by Cauldron Energy Limited (ASX:CXU) has determined a series of high order radiometric anomalies from flown airborne surveys. During the field trip the southern portion of the tenement, which had historically not been accessed, was visited with minor mapping completed to ground proof the known geology. After the visit to the tenement it is considered that a follow up mapping and rock chip sampling program would be beneficial to ground truth to further refine targets.

Litchfield North and South (EL 27853 and EL27851) contain geology suitable to host vein and unconformity style uranium mineralisation. The tenements are situated on the western tip of the Pine Creek Geosyncline and intersect parts of the Daly and Birrinbindu Basins. Geological research on these areas as well as minor mapping and sampling during the field trip indicate that the areas may also be prospective for gold. A historic radiometric anomaly was recorded on the tenement and this was located during the field program. It is considered that these tenements would be suited to a more intensive geological mapping program as well as geochemical sampling to aid with target generation.

Woolner (EL 27702) covers an area of 151km² which includes the Archean Woolner Dome. The area has broad similarities with the Rum Jungle and Alligator River fields and in comparison remains relatively underexplored. The Company considers this area highly prospective for uranium mineralisation and a Falcon airborne gravity program has been devised over the prospect to the Woolner Granite and any associated structures.

Mount Douglas (EL 27930) and Point Stuart (EL27701) have both been poorly explored for uranium mineralisation historically. The company believes that the geology of both areas is highly prospective for uranium and gold mineralisation as they are located on the Pine Creek Geosyncline Block. Further mapping, sampling and refining of targets is required for both of these tenements.

The field trip was also used to establish good relations with local land owners and assess the logistical requirements for future field programs. The company continues to progress its projects by obtaining all necessary permits and certificates required to conduct exploration programs over the coming six months. Further work is being completed with the processing of all available geophysics for target generation on the prospects and a review of all historical data to establish a database.

Pine Creek Project

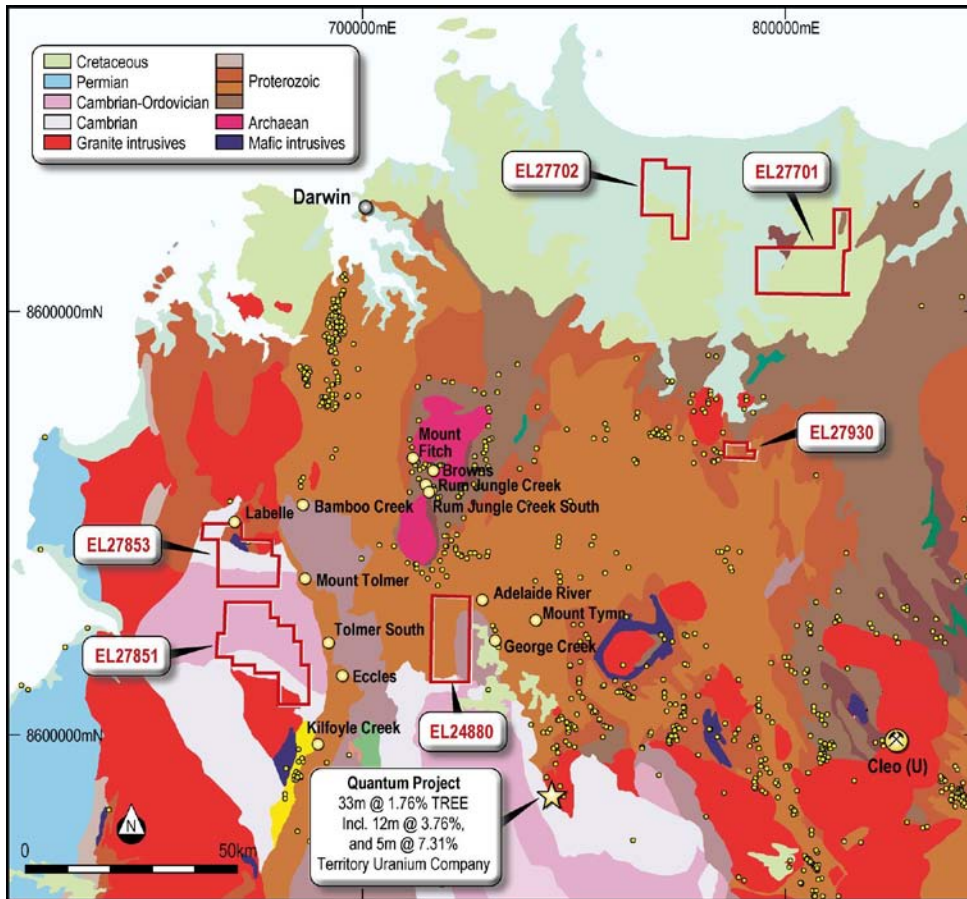


Figure 2. Pine Creek Location Plan

Corporate

As announced on the 3rd March 2011 the offer to shareholders is a “loyalty option” for those shareholders who held their shares via the initial public offering or for new shareholders supporting the company in its first few months after listing. The prospectus for the offer was issued on the 22nd June 2011. The offer is a non-renounceable entitlement issue of options on the basis of one option for every two shares held.

The two main shareholders of the company, Dourado Resources Limited (ASX: DUO) and Cauldron Energy Limited (ASX: CXU) indicating they do not intend to take up their entitlement under the offer. Accordingly these options will form part of the shortfall. The Directors reserve the right to place the shortfall (or part thereof) in accordance with section 4.4 of the Prospectus.

About Eclipse Uranium Limited:

Eclipse Uranium Limited is an Australian company with a portfolio of quality uranium tenement assets and rare earths in the highly prospective provinces of the Northern Territory. The company holds almost 9,000 km² of selected tenure across six separate project areas situated around key locations in the Northern Territory.

Competent Persons statement:

The information in this report to which this statement is attached that relates to Eclipse Uranium Limited's Exploration targets and results is based on information compiled by Mr Mark Fogarty who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Fogarty is a fulltime employee of Eclipse Uranium Limited. Mr Fogarty has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration. Mr Fogarty is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fogarty consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ECLIPSE URANIUM LIMITED

ABN

85 142 366 541

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(375)	(639)
(b) development	-	-
(c) production	-	-
(d) administration	(103)	(157)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	33	50
1.5 Interest and other costs of finance paid	-	-
1.6 R&D Tax Offset	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(445)	(746)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
(a) Proceeds from disposal of controlled entity	-	-
(b) Cash on hand upon purchase of controlled entity	-	-
Net investing cash flows	-	-
Total operating and investing cash flows (carried forward)	(445)	(746)
1.13		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(445)	(746)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	4,069
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Listing Costs)	(43)	(664)
	Net financing cash flows	(43)	3,405
	Net increase (decrease) in cash held	(488)	2,659
1.20	Cash at beginning of quarter/year to date	3,147	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,659	2,659

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	76
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors Fee	76
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
4.3 Production	-
4.4 Administration	127
Total	477

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,659	3,147
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,659	3,147

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

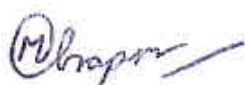
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	70,747,000	70,747,000	0.20	0.20
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	550,000		<u>Exercise price</u> \$0.20	<u>Expiry date</u> 30/11/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 27 July 2011
Company Secretary

Print name: Melissa Chapman

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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