Quarterly Report

For period ending 30 September 2011

ASX ANNOUNCEMENT

31 October 2011

www.eclipseuranium.com.au

Manager of Company Announcements
ASX Limited

By E-Lodgement

Quarterly Activities Report and Appendix 5B for the Period Ended 30 September 2011

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 September 2011.

Yours faithfully

Eclipse Uranium Limited
Mark Fogarty
Managing Director

BOARD

Mark Fogarty
Managing Director

Brett Smith
Chairman

Paul Kelly
Non-Executive Director

Emilio Pietro Del Fante
Non-Executive Director

COMPANY SECRETARY

Pip Leverington

REGISTERED OFFICE AND PRINCIPLE PLACE OF BUSINESS

18 Oxford Close
Leederville WA 6007

COMMUNICATION DETAILS

Telephone: +61 8 6382 5577
Facsimile: +61 8 9380 9666

AUSTRALIAN BUSINESS NUMBER

85 142 366 541

SHARE REGISTRY

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153

ASX CODE

EUL

HIGHLIGHTS

Corporate

- Eclipse Uranium Limited (**Company** or **Eclipse**) completed a pro rata non-renounceable entitlement issue of options.

- Peter McNally was appointed to the Eclipse Advisory Board bringing over 35 years of experience within the mining industry to the Company.

Exploration

- An Airborne EM (Tempest) program was competed at the Eclipse Project in the Northern Territory. Eclipse is currently waiting for the data to be processed but believes it may show extensions to the palaeochannel network which hosts Thundelarra Exploration Limited's (ASX:THX) Afghan Swan Prospect.

- The Company received verbal approval from the Central Land Council for its proposed drill program on EL24808 which is located between Energy Metals Limited's (ASX:EME) Bigrlyi deposit and Camel Flat prospect. Eclipse is currently awaiting the final report before drilling can commence on the licence.

- The final report for the Joint Systems Uranium Study- Ngalia Basin was released to industry partners. Eclipse completed a review of all tenements in the Eclipse Project and applied the findings from the report to generate new target areas.

- A presentation was made to the Traditional Owners of the Lake Mackay Project seeking for permission to explore the ground. Eclipse considers the licence to be prospective for calcrete hosted mineralisation and is encouraged by the recent drilling results from Toro Energy's (ASX:TOE) Theseus Prospect on the south west margin of Lake Mackay.

- Eclipse has advanced target generation and planning of a field program in the Pine Creek Region to include; mapping, rock chip sampling and soil sampling in Litchfield North, Litchfield South and Adelaide River. The Company continues to liaise with the Northern Land Council and Aboriginal Areas Protection Authority to gain clearances for all these tenements for this program and future programs.

CORPORATE

The Company completed a pro rata non-renounceable entitlement issue of options offered pursuant to a prospectus dated 22 June 2011 (**Entitlement Issue**). As announced on 3 March 2011, the Entitlement Issue was structured as a "loyalty option" for those shareholders who held shares via the Company's initial public offering or for new shareholders supporting the Company in its first few months following admission to ASX. The offer was a non-renounceable entitlement issue of options on the basis of one option for every two shares held. In total, 8,873,500 options were issued under the Entitlement Issue, representing approximately 25% of the offer.

Peter McNally was appointed to the Eclipse Advisory Board. Peter brings a wealth of experience to Eclipse with over 35 years' experience in the mining industry. His experience has included roles with the Northern Territory government in the early years of development of Ranger and Nabarlek mines, senior operational management roles at Ranger and General Manager at Jabiluka with Energy Resources of Australia (ASX:ERA) and North Limited. In recent years he has been Executive Director at Redport Ltd and Executive Vice President, Project Development at Mega Uranium Limited (ASX:MGA). His experience includes all stages of project development from green field exploration through project evaluation to construction and operation. In depth experience in feasibility studies, negotiating agreements with indigenous groups and joint venture partners and government approvals.

EXPLORATION

Eclipse has six main project areas throughout the Northern Territory (Figure 1) (**Projects**). The Projects comprise over 8910km^2. Many of these Project areas are also prospective for multi commodity exploration. The Projects comprise the following:

- **Eclipse Project** in the Ngalia Basin comprises 3 granted exploration licences (1528 km^2) and 3 exploration licence applications (3908km^2). The ground is prospective for a variety of uranium mineralisation styles and hosts the Bigrlyi Deposits (Energy Metals Ltd, ASX: EME), New Well Deposit (Deep Yellow Limited, ASX:DYL) and Afghan Swan Prospect (Thundelarra Exploration Limited, ASX: THX).

- **Pine Creek Project** comprises 6 granted exploration licences (1111 km^2) which are all located within the Pine Creek Orogen Province which hosts the Rum Jungle Mineral Field.

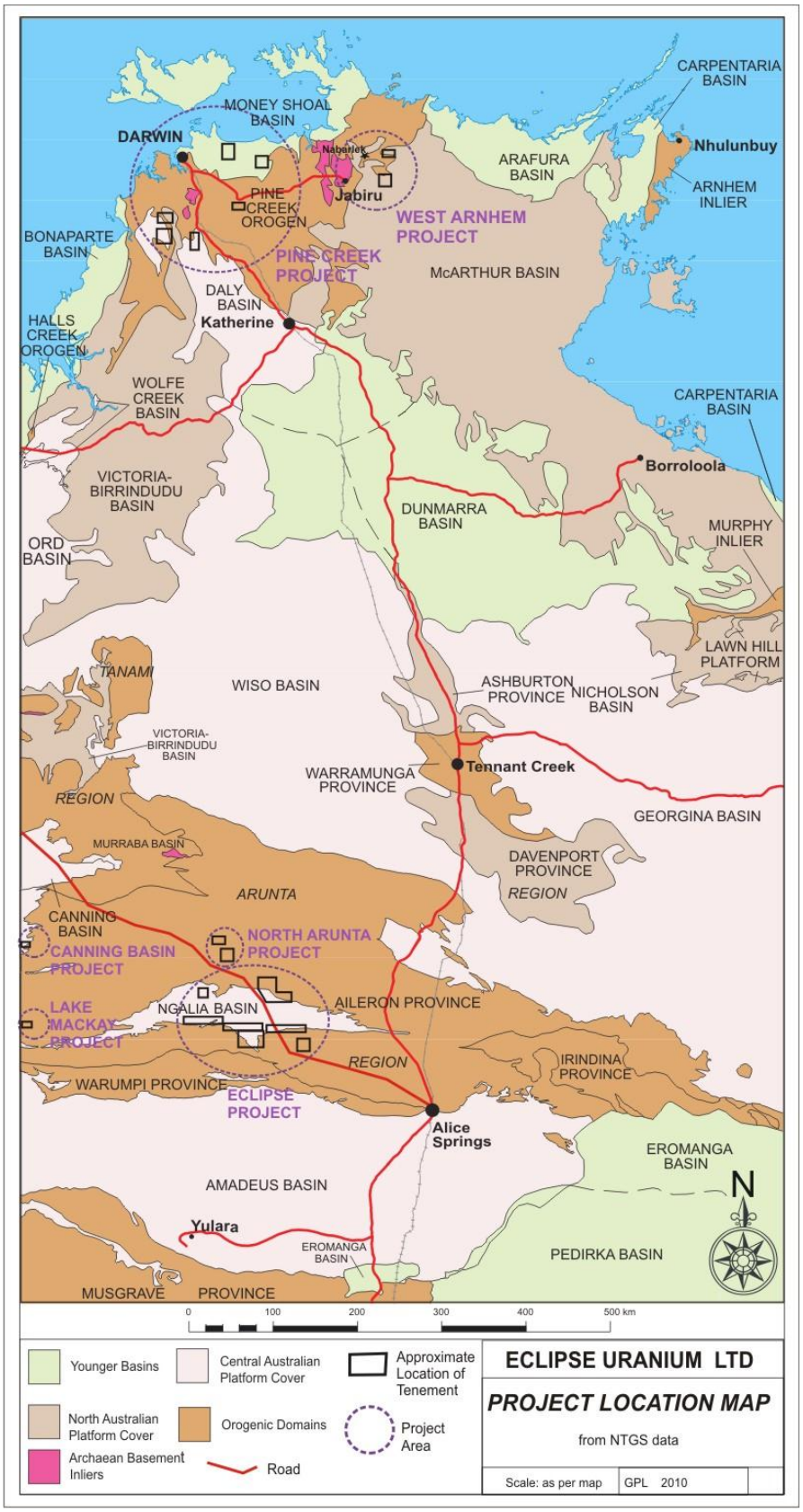
- **West Arnhem Project** is comprise of 2 exploration licence applications (110km^2) in an area known for high grade mineralisation at Nabarlek, Jabiluka and Ranger (Energy Resources Australia, ASX: ERA) within the Alligator River Uranium Field.

- **Lake Mackay Project** comprises 1 exploration licence application (159 km^2) located near the Northern Territory-West Australian border. The area is prospective for calcrete surface mineralisation and also sandstone mineralisation analogous to the Theseus Prospect (Toro Energy Limited, ASX:TOE).

- **Canning Basin Project** includes 1 exploration licence application (516 km^2) with an airborne radiometric target and no historical exploration.

- **North Arunta Project** comprises 2 exploration licence applications (1579 km^2) which are considered prospective for uranium mineralisation but have not been historically explored.

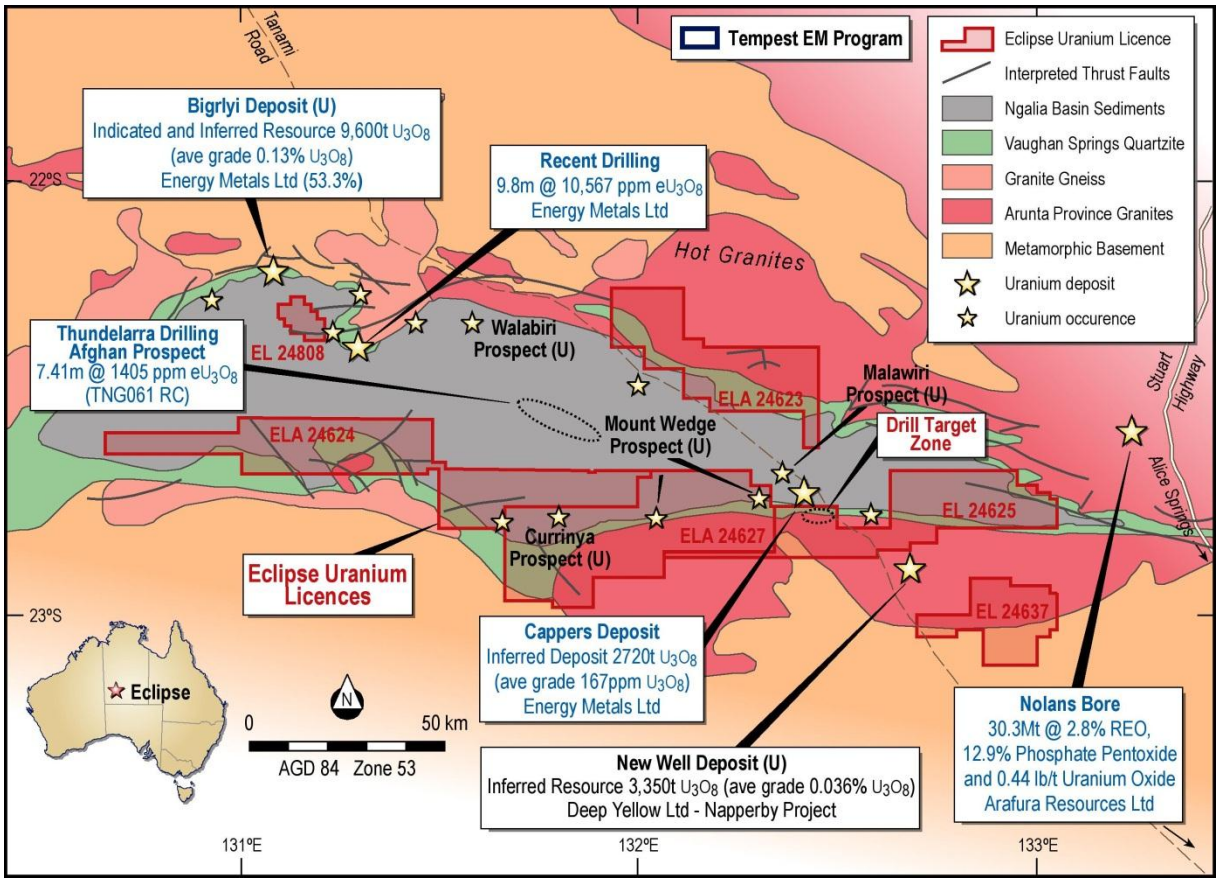
Figure 1. Project Locations



Eclipse Project

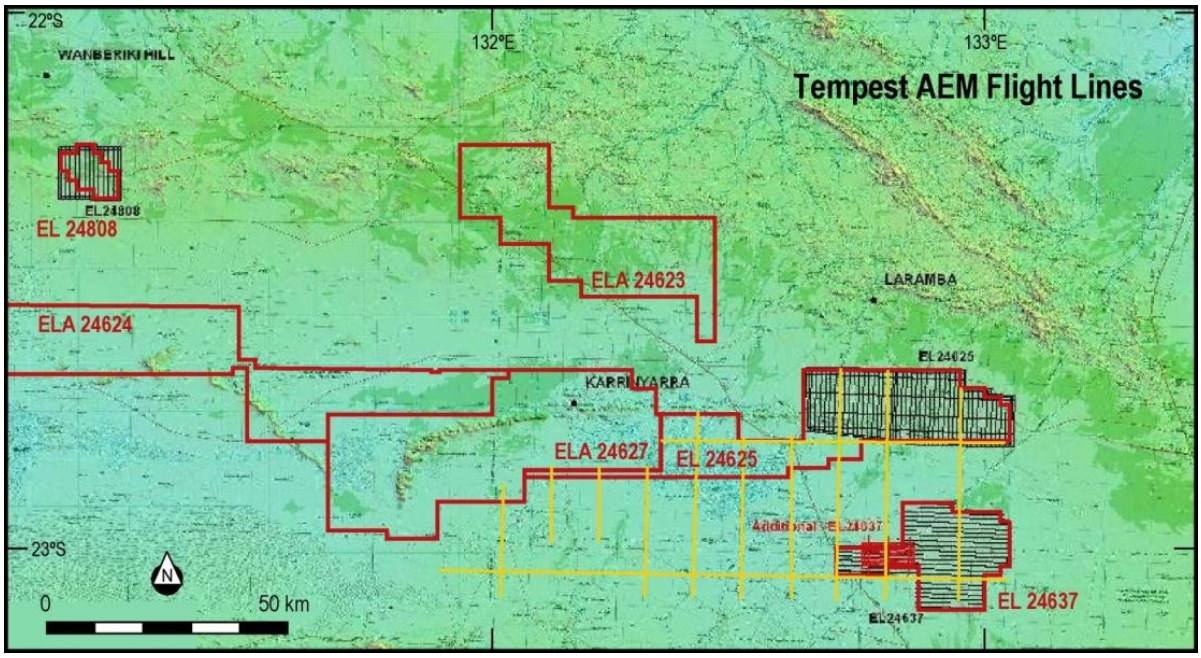
The Eclipse Project is located in the Ngalia Basin, 200km northwest from Alice Springs (Figure 2). Numerous deposits are found within this basin including Bigrlyi Deposit (Energy Metals Limited, ASX:EME), New Well Deposit (Deep Yellow Limited, ASX:DYL) and the Afghan Swan prospect (Thundelarra Exploration limited, ASX:THX). Nolans Bore (Arafura Resources Limited, ASX:ARU) is also located just 60km from Eclipse Project in a similar geological setting. Within the Eclipse licences there are historically recorded mineral occurrences including Currinya and Mount Wedge prospects.

Figure 2. Eclipse Project



During the last quarter Eclipse completed a Tempest Electromagnetic program in the Eclipse Project. Tempest AEM lines were flown over all granted tenements and designed as a continuation of a Tempest trial completed over the area by Cauldron Energy Limited (**Cauldron**) (Figure 3). Review of the data generated by Cauldron indicates possible variations at the basin margin and also what is interpreted to be variations within Tertiary Sediments which may be an extension to the interpreted palaeochannel system which hosts the Afghan Swan prospect (Thundelarra Exploration Limited, ASX:THX). The program was co-funded ($53,000) by the Northern Territory Geological Survey *Bringing Forward Discovery Initiative*. Eclipse is currently waiting for the data which will be processed and used for target generation for the 2012 field season.

Figure 3. Tempest Flight Lines



Eclipse has received verbal clearance from the Central Land Council for the proposed drilling program on EL24808 and is waiting on a final written report before drilling can commence. The program is located in between Energy Metals Limited's (ASX:EME) Bigrlyi Deposit and Camel Flat and Dingo's Rest Prospects. The program has been designed to target the Mount Eclipse Sandstone adjacent to the Yuendumu Fault systems and associated splay faults.

Eclipse has participated in the final workshop and received the final report associated with the CSIRO Joint Surveys Uranium Ngalia Basin Project. All information has been utilised in a project review and the generation of new targets for the project area based on the new found understanding of uranium mineralisation within the Ngalia basin.

Pine Creek Project

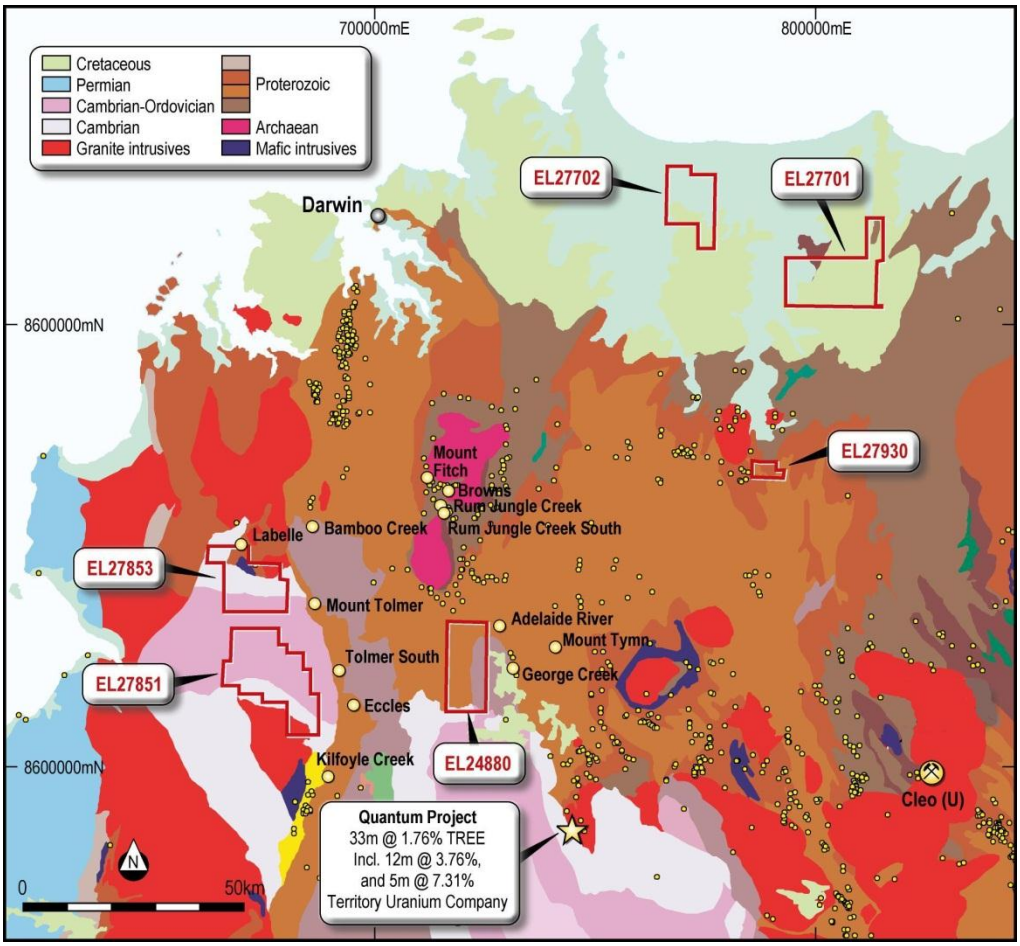
The Pine Creek Project area is comprised of 6 granted tenements within the Pine Creek Orogen. Three of the licences (Litchfield North (EL27853), Litchfield South (EL27851) and Adelaide River (EL24880)) are located near the Rum Jungle Mineral Field (Figure 4). All of these tenements are considered prospective for uranium as well as gold, base metals and REE. A historic uranium occurrence was recorded on Litchfield North and Adelaide River is situated west of Adelaide River Mine, George Creek Mine both of which are historic mines owned by Royal Resources Limited (ASX:ROY). Numerous discrete bulls eye targets have been defined for the Adelaide River project.

During the last quarter Eclipse has focussed on using data collected in the reconnaissance trip and reviewing all open file information available for these tenements to define targets and determine field programs for the areas.

Eclipse is currently in the process of generating a database of all historical works and results in the licences and surrounding areas. The Company has been liaising with the Northern Territory Geological Survey and has determined that some of the historic core (approximately 10-15 holes) is stored in their Darwin core yard. Review of the logs of these holes indicates that a review and

inspection of the core (with sampling if necessary) would be beneficial. A trip has been planned for the end of October to incorporate this alongside liaison with the Northern Land Council.

Figure 4. Pine Creek Project Area



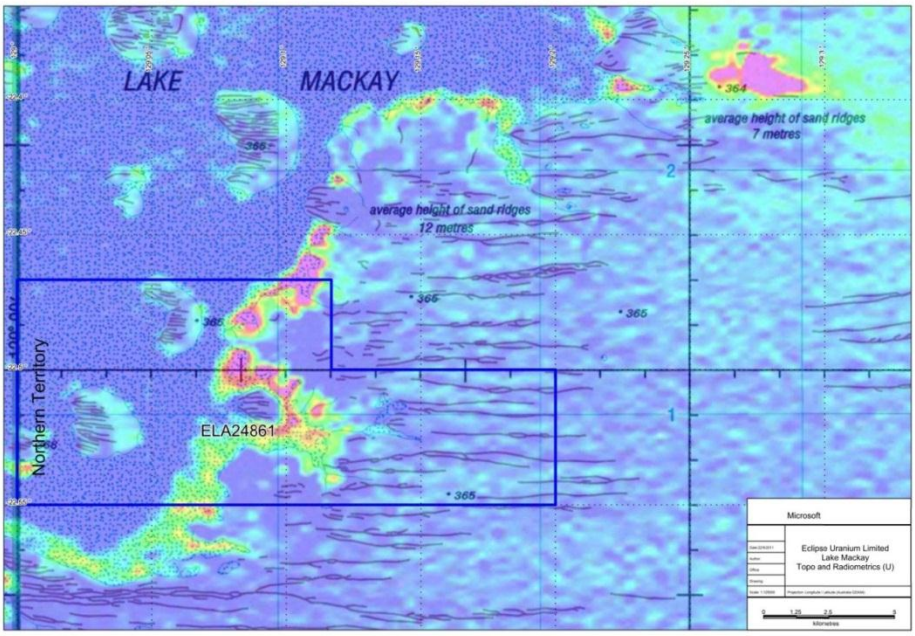
Upon review of all known data, Eclipse has devised a field program for the 3 tenements near Litchfield (Litchfield North, Litchfield South and Adelaide River). A historic field trip was completed with rock chip sampling in the northern portion of Adelaide River by Cauldron Energy Limited (ASX:CXU) while the southern area is yet to be investigated. The program would comprise mapping with rock chip samples and broad soil sampling which may be concentrated in areas of specific interest. The Company continues to work with the Northern Land Council and the Aboriginal Areas Protection Authority to arrange clearances for this program as well as future programs.

Lake Mackay Project

The Lake Mackay project is located on the border of the Northern Territory and West Australia and approximately 500km west of Alice Springs. The project area contains a radiometric uranium anomaly in the order if 10km x 1km with the potential for calcrete hosted mineralisation (Figure 5). This project area has become increasingly interesting with the recent developments of Toro Energy Limited's (ASX:TOE) Theseus Prospect on the West Australian side of Lake Mackay which recent drilling has yielded results including 4.84m at 830ppm eU_3O_8.

In late September, Eclipse undertook a presentation to the Traditional Owners of the Land to explain their application to explore the licence. The Company is currently awaiting feedback from the Central Land Council.

Figure 5. Lake Mackay Radiometric Target



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.

Rule 5.3

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	Quarter ended ("current quarter")
85 142 366 541	30 September 2011

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (3 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(540)	(540)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(200)	(200)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	15
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	(725)	(725)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4)	(4)
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	(4)	(4)
	Total operating and investing cash flows (carried forward)	(729)	(729)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(729)	(729)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	89	89
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	-	-
	Net financing cash flows	89	89
	Net increase (decrease) in cash held	(640)	(640)
1.20	Cash at beginning of quarter/year to date	2,659	2,659
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,019	2,019

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

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

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	311
4.2	Development	-
4.3	Production	-
4.4	Administration	150
	Total	461

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	2,019	2,659
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,019	2,659

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.

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	72,327,000	72,327,000		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,580,000	1,580,000		
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	550,000 8,873,500	- 8,873,500	*Exercise price* $0.20 $0.20	*Expiry date* 30/11/2015 31/05/2014
7.8	Issued during quarter	8,873,500	8,873,500	$0.20	31/05/2014
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

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: 31 October 2011
Company Secretary

Print name: Pip Leverington

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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+ See chapter 19 for defined terms.