

29 January 2021

## Quarterly Activities Report and Appendix 5B For the Quarter ending 31 December 2020

### QUEENSLAND – MARY VALLEY MANGANESE

During the first quarter of the financial year, the second phase of diamond drilling tested for extensions of previously drilled high-grade manganese mineralisation along 160 metres of strike and down dip to 20 metres. Six diamond drill cored holes were completed for a total of 97.6 meters in the South/Central, Central and Northern areas of old workings. Assaying of split core samples was completed during the early part of the December quarter. The best mineralised intersections are listed below;

Best intersections from the second phase 2020 drilling program include: -

- ADD008A – 1.5m @ 42.14% MnO from surface
- ADD008A – 1.0m @ 13.26% MnO from 1.5 metres
- ADD008A – 1.0m @ 26.85% MnO from 13.98 metres
- ADD009 – 1.5m @ 11.42% MnO from surface
- ADD010 – 1.0m @ 33.81% MnO from surface
- ADD010 – 1.0m @ 17.99% MnO from 2 metres
- ADD010 – 1.0m @ 12.60% MnO from 4 metres
- ADD012 – 1.5m @ 12.33% MnO from surface
- ADD013 – 1.0m @ 12.02% MnO from surface

(Refer to ASX Announcements: 30 October 2020 – Activity Report for September 2020 Quarter and 20 October 2020 – Near Surface Manganese Intersected at Amamoor Manganese Project).



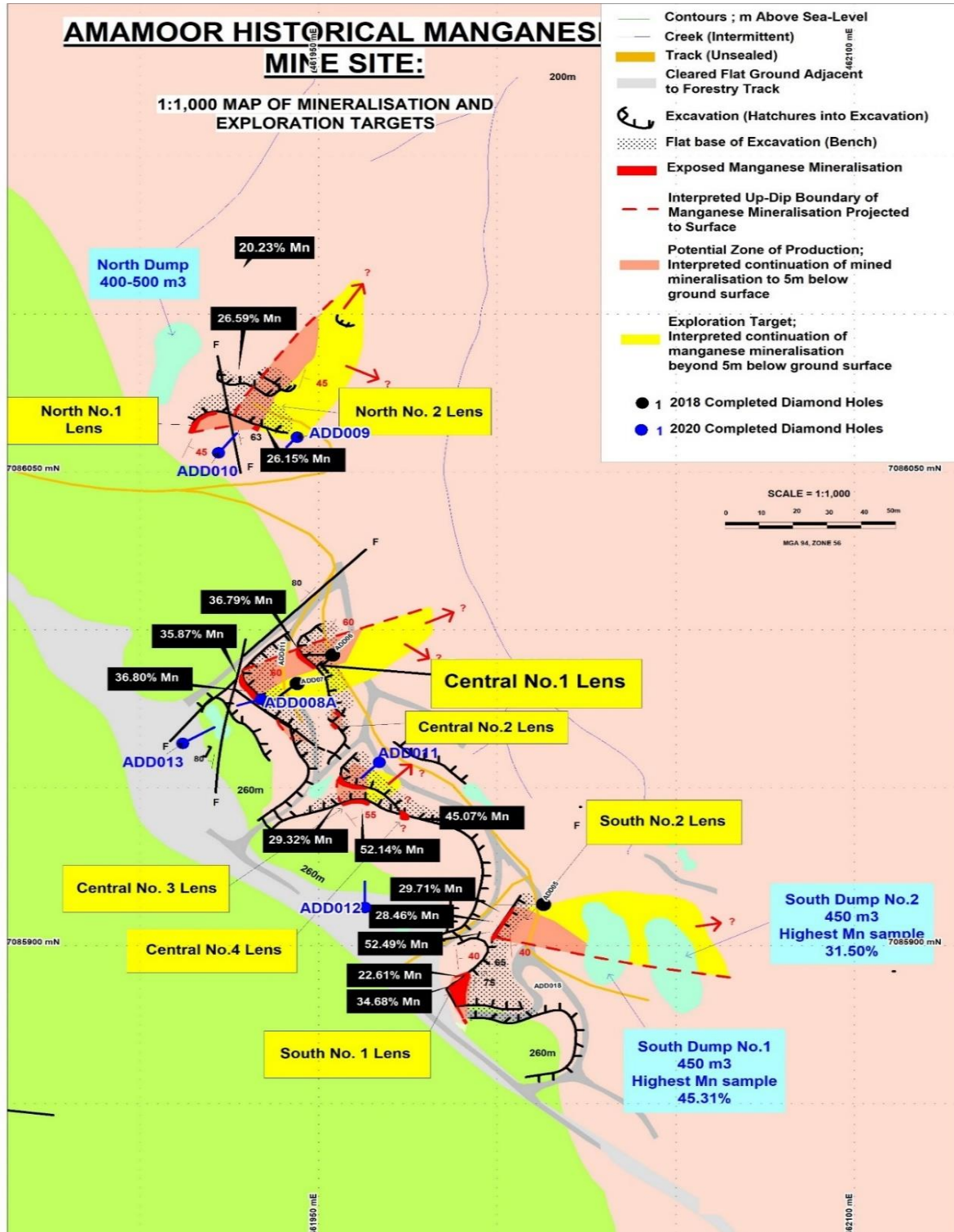
***Diamond Drill Rig at the South-Central Manganese Prospect***

### ECLIPSE METALS LTD

Level 3, 1060 Hay Street, West Perth WA 6005  
T: +61 8 9480 0420 | F: +61 8 9321 0320  
ABN 85 142 366 541

Results from two campaigns of drilling and geological interpretation based on these and results indicate that bulk low-grade mining could be utilised for this manganese deposit to provide mill-feed for a beneficiation plant to produce a marketable, high-grade product. (ASX Release 20 October 2020).

Manganese minerals are significantly more dense than their enclosing rock formations from which they can be readily separated by gravity and magnetic beneficiation processes to produce a saleable product.



**Amamoor Geological Map highlighting the completed 2020 Diamond Drill Hole Location**

(Refer to ASX Announcements: 20 October 2020 - Near Surface Manganese Intersected at Amamoor Manganese Project, 12 October 2020 - 2nd Phase Drilling completed at Mary Valley all Drill Holes Intersected Manganese Mineralisation, 29 September 2020 – Review of Operations in 2020 Annual Report; 25 August 2020 – Updated Investor Presentation, 17 August 2020 – Stage Two Diamond Drilling Commencing in Mary Valley and).

## IVITTUUT PROJECT – GREENLAND

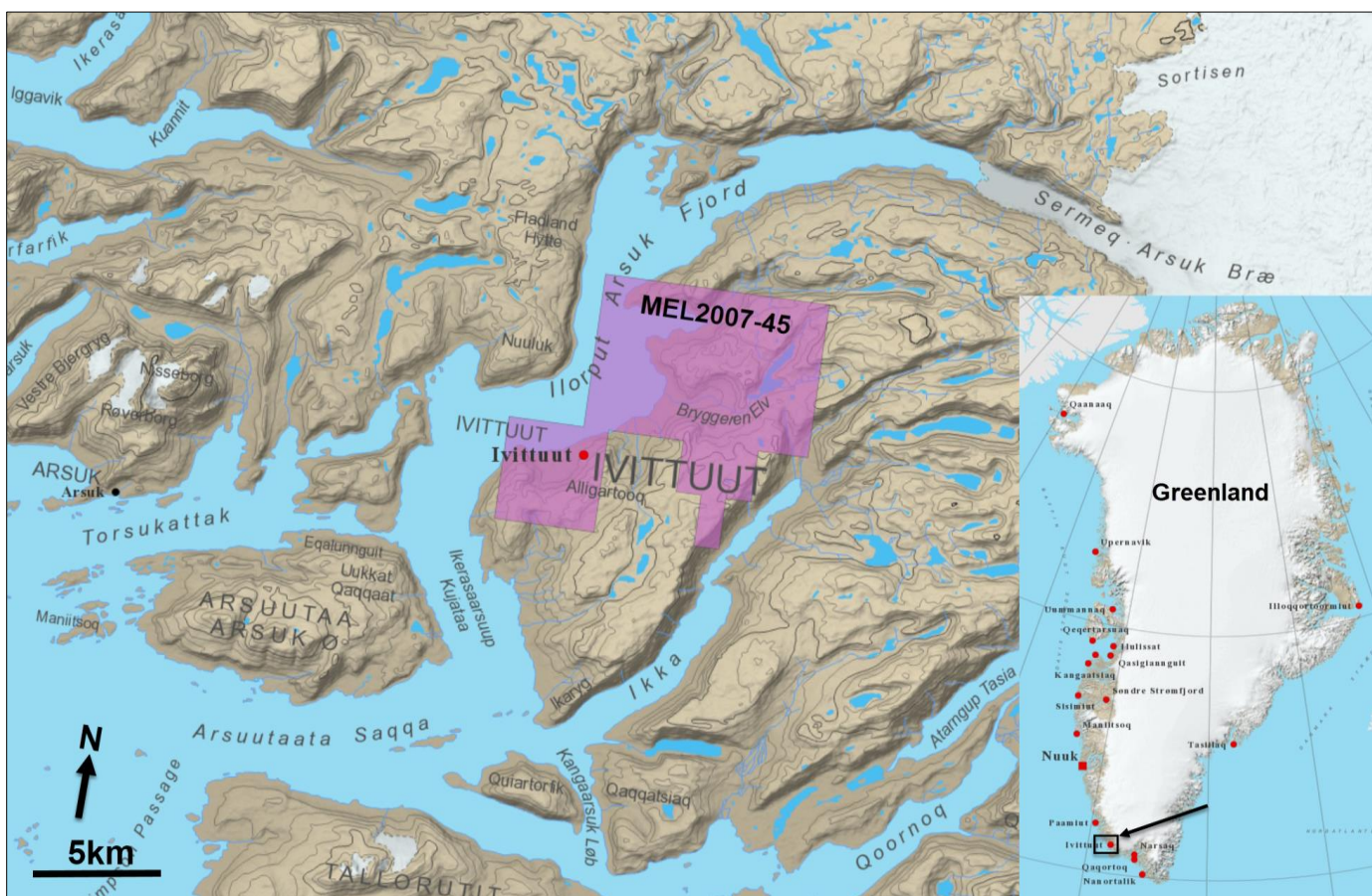
Late in the quarter, Eclipse undertook an extensive data review of all available open file exploration, mining, pre-feasibility reports from the Geological Survey of Denmark and Greenland (GEUS) along with academic literature covering the Ivittuut and Gronnedal-ika areas.

The historical Ivittuut mine is recorded as having produced 3.8 million tonnes of high-grade cryolite for use in the aluminum industry over its 120 year life.

The review included an evaluation of drill data from the historical open-cut pit and surrounding areas within the current exploration license. Other reports accessed included exploration drilling, engineering reports covering mining methods, cross-sections, resource block modelling based on lithology/grade, local and regional geology maps, and pre-feasibility studies on a high-grade quartz unit within the pit environs.

Geological evaluation by the Eclipse technical team identified the Ivittuut Project (exploration licence MEL2007/45) as having extensive exploration potential plus short term cash-flow opportunities. The strong potential was identified for generating JORC compliant resources of cryolite, REE minerals, sphalerite, and high-grade quartz in the pit plus the historical low-grade dumps and tailings which contain large volumes of mineralised rock.

Based on the current/future market and substantial historical data, the Board of Eclipse Metals agreed to proceed to the acquisition of the Ivittuut project from Cerium Pty Ltd in late November 2020. The acquisition was concluded in January 2021 (refer to ASX announcement dated 14 January 2021).



**Ivittuut Project Location Map**

(Refer to ASX Announcement: 14 January 2021 – Acquisition of the World’s Largest Historical Cryolite Mine with Rare earth potential and Placement)



Cryolite mineral

***Aerial image of Ivittuut and the cryolite mine in 1960, showing the working open-pit, mine infrastructure, ore and waste dumps and ship loading facilities.***

(Refer to ASX Announcement: 14 January 2021 – Acquisition of the World’s Largest Historical Cryolite Mine with Rare earth potential and Placement)

## **NORTHERN TERRITORY- NGALIA BASIN URANIUM PROSPECTS (Refer map)**

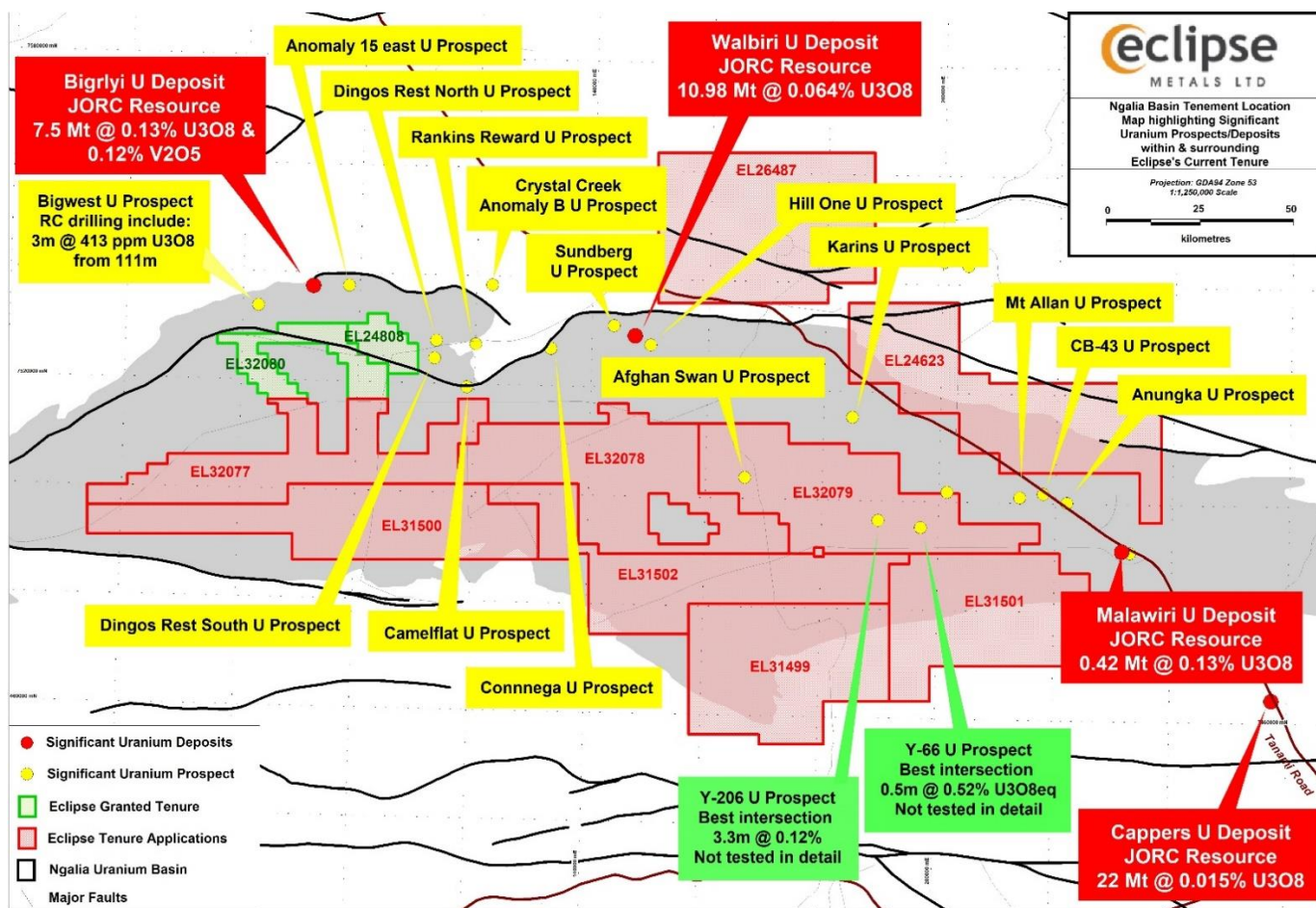
The Ngalia Basin is located approximately 300km west-northwest from Alice Springs and is considered highly prospective for sandstone paleochannel style uranium mineralisation.

Currently, the Company has 273 km<sup>2</sup> of granted tenure (EL24808 & EL32080) with another 7,083 km<sup>2</sup> under exploration licence application status (ELA’s 24623, 31499-31502 & ELA’s 32077-32079 & ELA 26487) within the Ngalia Basin.

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 appears to extend south into Ngalia North, which will be verified with further gravity or seismic surveys prior to drilling.

The Ngalia Basin notably hosts the following deposits:

- 1 Bigryli Deposit (inferred and indicated resources of 9,570t of U<sub>3</sub>O<sub>8</sub> at 1,283 ppm and 8,930t of V<sub>2</sub>O<sub>3</sub> averaging 1197 ppm at 500 ppm U<sub>3</sub>O<sub>8</sub> cutoff );
2. Capper Deposit (Inferred Resource 3,200t of U<sub>3</sub>O<sub>8</sub>, averaging 145 ppm U at 100ppm cutoff)
- 3.Napperby Project (inferred resource of 3,643t of U<sub>3</sub>O<sub>8</sub> at 382 ppm U at and 2,251t of V<sub>2</sub>O<sub>3</sub> grading 236 ppm at 200 ppm U<sub>3</sub>O<sub>8</sub> cutoff)



**Eclipse Metals Ngalia Exploration Licence Location Map showing various U Resources and Prospects**

(Refer to ASX Announcements: 30 October 2020 – Activity Report for September 2020 Quarter and 11 January 2019 – Positive Progress on Gravimetric Survey over EL24808)

### NORTH AND NORTH-EAST NGALIA BASIN (Refer map)

In October 2020 the Company made a submission to the NT Department of Primary Industry and Resources and the Central Land Council for consent to grant ELA24623 (Eclipse Uranium Project, total area 305 km<sup>2</sup>) and ELA26487 (Yuendi Copper-Uranium Project, total area 1,003 km<sup>2</sup>). The Central Land Council (CLC) has acknowledged receipt of the Company’s application for consent to negotiate ELA 24623 and ELA 26487, pursuant to section 41(6) of the Aboriginal Land Rights (Northern Territory) Act 1976 (Clth) (the Act). The standard negotiating period commenced in November 2020.

During the negotiation period, the CLC will arrange a meeting pursuant to section 42 (4) (a-d) of the Act. The Company is scheduling a meeting with the CLC who will consult with the Traditional Landowners to consider facilitating initial meetings with Eclipse Metals to commence negotiations.

ELA24623 on the north-eastern fringe of the Ngalia Basin is highly prospective for sandstone-type uranium mineralisation.

Application for ELA’s 32077, 32078, 32079, 32499, 32500, 32501, and 32502 are progressing through normal channels.

### NGALIA BASIN BASE METAL PROSPECTS (Refer map)

Historical exploration over ELA26487 (**Yuendi**), on the northern fringe of Ngalia Basin, has indicated anomalous base metals values in the Rock Hill Copper Field, covered by this ELA, which include abandoned mines as well as polymetallic veins. Within this ELA there are 10 copper prospects that remain relatively unexplored. The copper

deposits within the Mt Hardy Mineral Field (5.4 km due east from the eastern boundary of ELA 26487) were discovered in 1935, with mineralisation reported within quartz reefs and pegmatite-aplite veins within the Lower Proterozoic schist.

Minerals recognised in the oxidised zone are malachite, azurite and chalcocite, with chalcopyrite predominant in the sulphide zone. Significant copper mineralisation may also be contained within gneiss formations adjacent to these veins. The average width of the mineralised veins from surface is about one metre (max of 30 metres) with an average length of 100 metres (Warren, Steward, and Shaw).

Upon granting of these two ELA's, planning will commence for comprehensive exploration programs to include geological mapping, sampling, geophysical surveys and ultimately drilling.

## CORPORATE

Payments to related parties totalled \$104,341 comprising \$56,690 Director fees and \$47,651 for consulting services provided during the quarter.

To bring such an important asset into the Company in the form of the Ivittuut Project in Greenland required a great effort by the Board and consultants which characterised the majority of the work completed during the December 2020 quarter.

Given the historical nature of Ivittuut, there are voluminous research reports, records and information to review which was completed in detail by the Board of Directors. A large portion of the information had to be translated to English before the review and interpretation could begin. There remains a substantial volume of data yet to acquire and review.

Running in parallel to the Ivittuut Project was the planning for the capital raising which as announced on the 14 January 2021 raised \$2,000,000 (before costs) which will be used to progress the Ivittuut Project as well as enabling the Company to retain the financial capacity to advance the existing Australian portfolio of uranium and manganese prospects.

## References

*R, G. Warren & Steward & R.D. Shaw, 1974, Department of Minerals and Energy, Bureau of Mineral Resources, Geology and Geophysics, Record 1974/107, Summary of Information on Mineral Deposits of the Arunta Complex, Alice Springs Area Northern Territory, 340.89*

The December 2020 Activity Report was authorised by the Board for ASX release.

## **Carl Popal Executive Chairman**

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 that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Mr. Rodney Dale and Mr. Pedro Kastellorizos, both Non-Executive directors of Eclipse Metals Limited. Mr. Dale is a Fellow of the Australasian Institute of Mining and Metallurgy (the AusIMM) and Mr Kastellorizos is a Member of the AusIMM; both of whom have sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Dale and Mr. Kastellorizos have verified the data disclosed in this release and consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.*

**Addendum - ECLIPSE METALS TENEMENT INTERESTS ASX - Listing Rule 5.3.3.**

Mining tenements held at the end of the quarter and their locations are listed below. No granted tenement interests were earned into or farmed out.

**Granted Tenements**

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
EL 24808	Cusack's bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	32
EPM 17672	Mary Valley	Manganese	Granted	Qld	Walla Mines Pty Ltd <sup>1</sup>	100	7
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	Yuendi	Cu, Uranium	Application	NT	Eclipse Metals Ltd	100	305
ELA 24861	Lake Mackay	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 26487	Yuendi	Cu, Uranium	Application	NT	Whitvista Pty Ltd <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> Whistvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

<sup>3</sup> 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 Ltd

ABN

85 142 366 541

Quarter ended ("current quarter")

31 December 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(154)	(199)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(107)	(158)
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 (RnD Refund & deposit refund)	-	14
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(261)</b>	<b>(343)</b>



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

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	(11)	(63)
	(e) investments		
	(f) other non-current assets		
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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(11)</b>	<b>(63)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>		

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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	828	962
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(263)	(343)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(63)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>556</b>	<b>556</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	<b>556</b>	<b>828</b>
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>556</b>	<b>828</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	<b>104</b>
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
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 – <b>Director Fees</b>		

\*\* Item 6.1 includes aggregate amounts of \$56,690 (inclusive of GST) for Directors' fees and \$47,651 (GST inclusive) for consulting services provided by Directors.

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	263
8.2 Capitalised exploration & evaluation (Item 2.1(d))	11
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	273
8.4 Cash and cash equivalents at quarter end (Item 4.6)	556
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	556
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	2.0
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: Not Applicable	
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: Not Applicable	
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: Not Applicable	

**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 January 2021

Authorised by: **The Board of Eclipse Metals Limited**  
(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.