

ECLIPSE URANIUM LTD (EUL)

Exploration Commences at Highly Prospective Uranium Projects

SPECULATIVE

21 March 2011

Share Trading Info

ASX Code	EUL
Current Share Price (cps)	17.0
Trading Low/High (Since Listing)	15c - 22c
Market Capitalisation \$m	12.0
ASX Listing Date	17 Feb 2011
Current Cash on Hand \$m (approx.)	>3.0

Board of Directors*

Brett Smith	Non Executive Chairman
Mark Fogarty	Managing Director
Emilio Pietro Del Fante	Non Executive Director
Paul Kelly	Non Executive Director

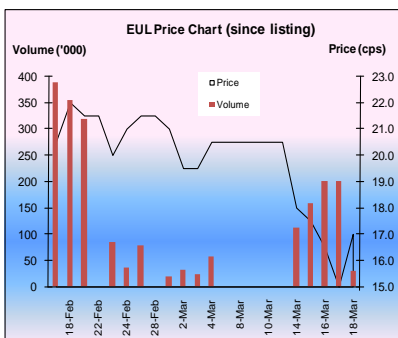
* Further details on Page 14

Major Shareholders

Dourado Resources Ltd	38.2%
Cauldron Energy Ltd	36.8%
Tulasi Gold P/L	1.8%
Dempsey Resources P/L	1.8%
McNeil Nominees P/L	1.4%

Uranium Projects

Uranium Projects	Area
Eclipse	5,438km ²
Pine Creek	1,114km ²
West Arnhem	110km ²
North Arunta	1,580km ²
Lake Mackay	159km ²
Canning Basin	516km ²



SUMMARY

Eclipse Uranium Ltd (ASX Code: EUL) is a uranium exploration company based in Perth, WA with a portfolio of six projects in the Northern Territory. The company holds 8,917km² of selected tenure that is highly prospective for uranium mineralisation, as many of the project tenements and applications are within, or in close proximity to, known uranium areas. The projects are also in close proximity to established infrastructure, including railways, shipping ports, highways and power stations.

The company is in the early stages of its exploration cycle, having recently acquired the portfolio of assets for the purpose of listing on the ASX. EUL is developing exploration programs for projects with well defined targets and progressing Exploration License Applications on several projects within its portfolio. Subject to the ELAs being successful, EUL will commence generating targets on these projects with a view to commencing exploration activities.

Eclipse Uranium Project

The project in immediate focus is the largest project in EUL's portfolio, the Eclipse Uranium Project, which covers part of the Ngalia Basin and the surrounding Arunta Block, and is highly prospective for uranium mineralisation. A number of uranium occurrences occur within the project area, including the Currinya, Mount Wedge and Camel Flat prospects, as well as the Bigryli and Cappers uranium deposits. The Bigryli deposit has an Inferred and Indicated Resource of around 8,000t @ 0.13% U₃O₈. There has been a significant amount of exploration undertaken at Eclipse.

Since listing, EUL has announced an initial drilling program (2,000 metres; 24 holes) on EL 24625 that is scheduled to commence in the current quarter. The targeted drilling is approximately eight kilometres SW of Energy Metals' Cappers deposit. In addition, EUL have planned a drilling program for EL 24808, with approvals expected to be completed by late April 2011.

Important Disclosure

Investors should be aware that Eclipse Uranium Ltd is a corporate client of Alpha and that Alpha will receive a consultancy fee from Eclipse Uranium Ltd for compiling this research report.

Pine Creek Uranium Project

The Pine Creek Project contains six prospects, all of which have been granted Exploration Licenses. Adelaide River, covers the Pine Creek Orogen, which hosts more than 1,300 recognised mineral occurrences. Previous exploration has included airborne radiometric and magnetic surveys over the entire license area, which identified a number of discrete bulls-eye radiometric anomalies and areas of broadly elevated anomalism.

EUL plan to commence geophysical mapping and geophysical surveys at Pine Creek in the June 2011 quarter.

ELAs Pending for Other Projects

EUL have numerous Exploration License Applications (ELAs) pending across its project portfolio. As such, a key focus for the company, aside from the Eclipse Uranium Project in the current quarter, is to finalise the ELA's, many of which are currently proceeding through the statutory negotiating period with native title parties.

Stable Share Register

EUL have a total of 70.747 million ordinary shares on issue. Of these, 50 million shares (over 70%) are escrowed for 24 months from the date of listing. The shares in escrow include part of those issued to the major shareholders, Dourado Resources (27 million ordinary shares, or 38.16%) and Cauldron Energy (26.02 million ordinary shares, or 36.78%).

On 3 March 2011, EUL announced a one-for-two non renounceable options entitlement. The options will be issued at 1 cent per option with an exercise price of 20 cents per share and a 3-year expiry date. A maximum of 10,373,500 options will be issued under the options issue, with Dourado and Cauldron Energy both indicating that they will not take up their entitlements. The options issue is expected to be completed in mid-late May 2011 and the prospectus and timetable for the options issue will be available in late April 2011.

The only unlisted options currently on issue (550,000) are held by the current directors and are also escrowed for 24 months from the date of listing.

Adequate Short-Term Funding for Planned Exploration Activities

The company's current cash balance is over \$3 million (pro-forma cash balance as at 7 February 2011 was \$3.586 million). EUL have budgeted for exploration expenditure of \$0.8 million over the next 12 months.

1. COMPANY OVERVIEW

Eclipse Uranium was incorporated on 3 March 2010 as a wholly-owned subsidiary of Dourado Resources Ltd (Dourado) for the purpose of exploring for uranium in the Northern Territory.

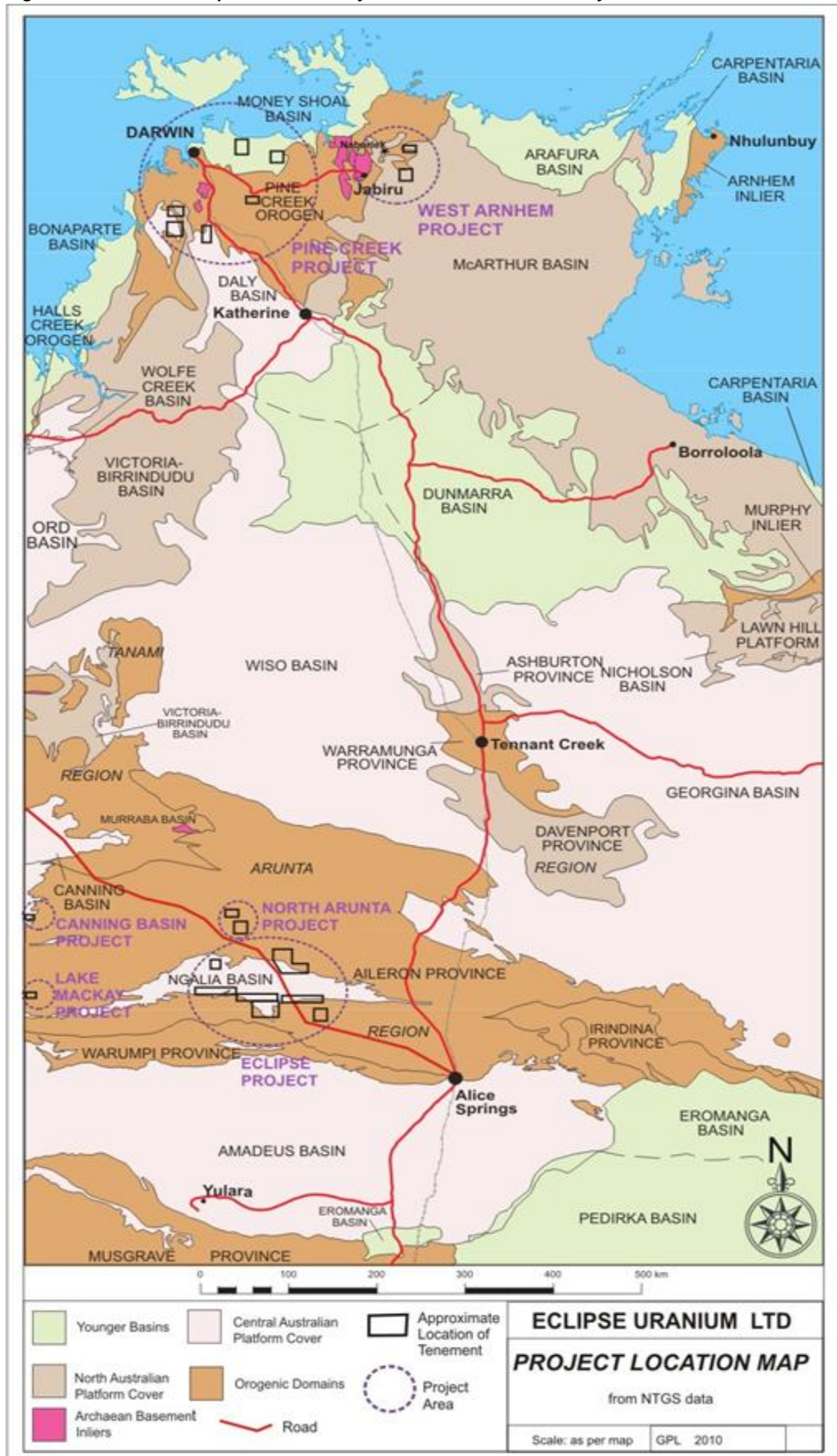
Since incorporation, Eclipse Uranium obtained an option to acquire a number of Exploration Licenses and Exploration License Applications in the Northern Territory from Cauldron Energy. The company also acquired a number of Exploration License Applications for a private company (North Minerals P/L) and the rights to two Exploration License Applications from Dourado.

Eclipse Uranium issued shares to both Cauldron Energy and Dourado as consideration for the Exploration Licenses and Exploration License Applications acquired from both parties. Both companies are the largest shareholders of Eclipse Uranium, with a collective holding of 75% of the total shares on issue.

Table 1: Summary of EUL Project Portfolio

Project	Projects in Focus		Other Projects (Under Exploration License Application)			
	Eclipse	Pine Creek	West Arnhem	North Arunta	Lake MacKay	Canning Basin
Project Area	5,438km ²	1,114km ²	110km ²	1,580km ²	159km ²	516km ²
Product/s	Uranium	Uranium	Uranium, Gold, Palladium	Uranium	Uranium	Uranium
Location	Ngalia Basin & surrounding Arunta Block	Various locations around the Pine Creek region	285km east of Darwin in West Arnhem Land (Devil's Elbow)	NW of Darwin and covers the Lander Rock Beds	560km NW of Alice Springs	560km NW of Alice Springs
Key Prospects	3 ELs & 3 ELAs	Adelaide River, Point Stuart, Woolner, Litchfield South & North and Mt Douglas (all granted ELs)	Devil's Elbow, Gumadeer	ELA 26285 & ELA 26284	ELA 24861	ELA 24862
Surrounding Prospective Tenements/Projects	Currinya, Mt Wedge, Biglyi Uranium Deposit, Copper Deposit, Uranium Flat	Adelaide River mine, Alligator Rivers	Nabarlek mine	Napperby Area	-	-
Previous Exploration	Aircore drilling; EM surveys	Airborne radiometric & magnetic surveys over entire Adelaide River area; Radiometric airborne surveys conducted by Yellow Rock over most of Mt Douglas area	Uranerz explored between 1987 and 1990 and discovered several uranium anomalies. Assays included 5.8% U ₃ O ₈ , 38.1g/t Au & 28g/t Pd	CRA Exploration and Uranerz in the late 1970s that defined a mineralised zone of over 20kms strike length	10km x 1km airborne radiometric uranium anomaly. Potential to host U ₃ O ₈ mineralisation	10km x 1km airborne radiometric uranium anomaly. No historical exploration for calcrete-hosted uranium mineralisation
Upcoming Activities (planned by EUL)	Initial drilling program (2,000m; 24 holes) on EL 24625 to commence in March 2011 qtr & drilling program on EL 24808	Geophysical mapping & geophysical surveys to start in June 2011 qtr	Exploration Licenses under application	Exploration Licenses under application	Exploration Licenses under application	Exploration Licenses under application

Figure 1: Location of Eclipse Uranium Projects in the Northern Territory



2. KEY PROJECTS

2.1 Eclipse Uranium Project

2.1.1 Outline

In March 2010, Cauldron Energy Ltd entered into an agreement with EUL which grants Eclipse an option to acquire several Northern Territory projects from Cauldron, one of which was the Eclipse Uranium Project.

The Eclipse Project includes three granted exploration licenses and three exploration license applications and is located 200 kilometres NW of Alice Springs and covers an area of 5,438km² considered prospective for surface calcrete and sandstone-hosted uranium. Access to the project area is via the Tanami Highway, which is sealed to Tilmouth Well Road. The Amadeus Basin to Darwin Gas Pipeline bisects one of the tenements (EL 24637), approximately 20 kilometres south of the New Well Deposit.

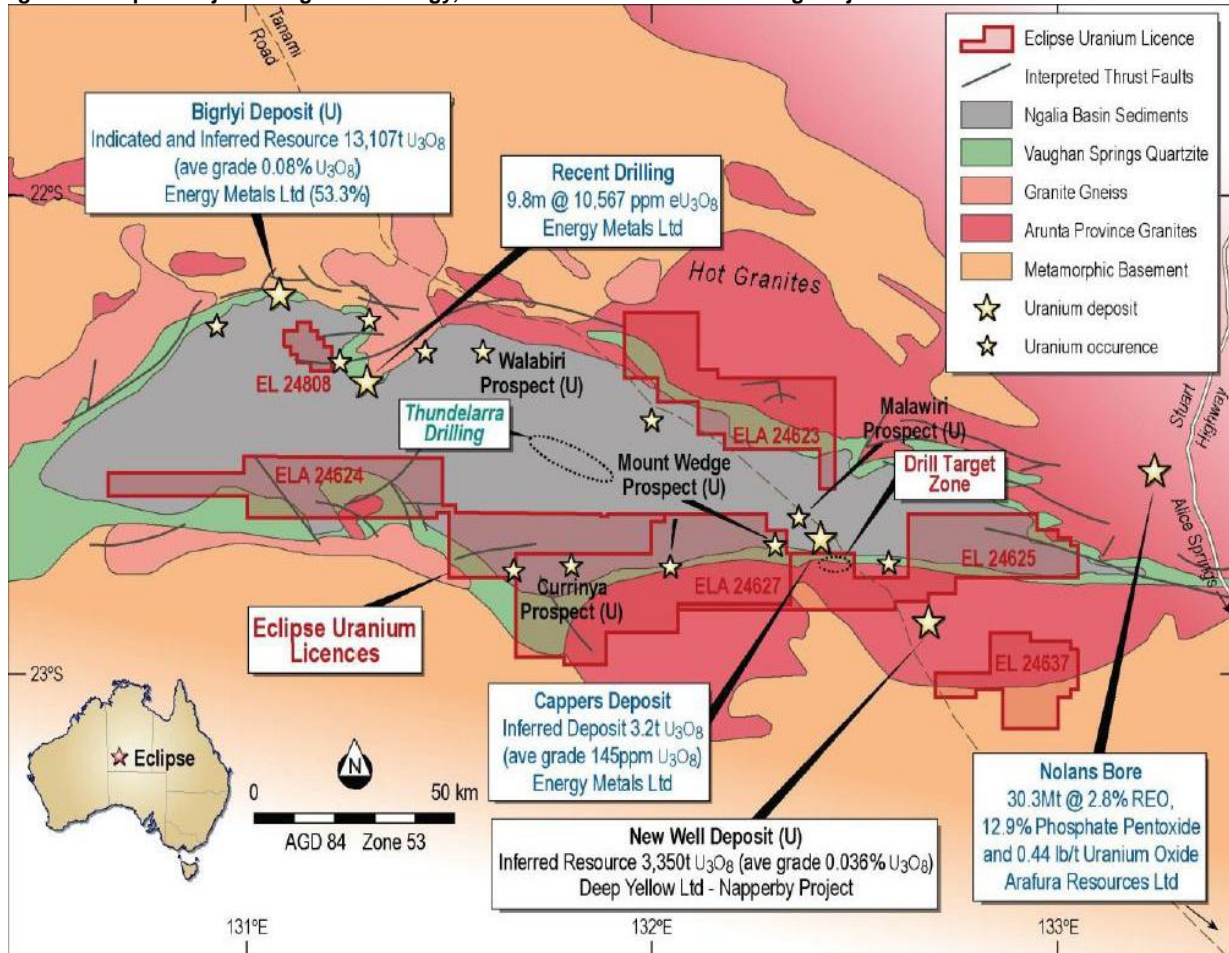
Most of the tenements are primarily located in the SE of the project area, adjacent to the New Well Uranium deposit (which has an inferred resource of 3,351t U₃O₈).

The project area covers part of the Ngalia Basin and the surrounding Arunta Block, which are highly prospective for uranium mineralisation. The basin sediments are predominantly comprised of arenaceous continental and marine sediments of Pre-Cainozoic age. These crystalline and metamorphic rocks are considered to be the source of the sediments and the uranium mineralisation within the project area. The Ngalia Basin hosts the Bigrlyi Uranium deposit (owned by Energy Metals Ltd, Paladin Energy Ltd, and Southern Cross Exploration NL and has an Inferred and Indicated Resource of around 8,000t @ 0.13% U₃O₈), which was identified within the Mount Eclipse Sandstone (the youngest unit which hosts the identified uranium mineralisation in the area).

A number of uranium occurrences fall within the project area, including the Currinya and Mount Wedge Prospects. The Currinya prospect is a NE trending radioactive anomaly of carnotite-bearing calcrete. Uranium mineralisation was outlined by shallow auger drilling and returned a number of significant results including 2m @ 436 ppm U₃O₈, 2m @ 312 ppm U₃O₈ and 1m @ 306 ppm U₃O₈. Surface sampling at the Mount Wedge prospect produced results up to 1,300 ppm U₃O₈ and broad-spaced shallow drilling intersected up to 0.5m @ 960 ppm U₃O₈.

EUL is also part of the Joint Systems Uranium Ngalia basin Project conducted by CSIRO, the Northern Territory and South Australian governments, Energy Metals Ltd and Thunderlarra Exploration Ltd. The 18-month project, which commences in December 2009, aims to identify the geological, structural and mineralogical characteristics that will drive future uranium exploration and mineralisation discoveries within the Ngalia Basin.

Figure 2: Eclipse Project – Regional Geology, EUL Tenements and Surrounding Projects



2.1.2 Recent Exploration

There has been a significant amount of recent exploration over the Eclipse Project area. In early 2006, an aircore drilling program was conducted by Scimitar Resources (now Cauldron Energy) within two exploration licenses – EL 24625 and EL 24637. The drilling targeted near surface calcrete hosted uranium mineralisation. Best drilling results were 28 ppm U from 24-28 metres upstream of the New Well deposit. Aircore drilling by Cauldron Energy targeted near-surface calcrete hosted uranium mineralisation similar to the New Well deposit.

An airborne TEMPEST electromagnetic survey conducted in July 2007 identified additional buried channels and potential target areas for uranium mineralisation. An airborne radiometric/magnetic survey covering 1,500km² was completed in November 2007 and provided detailed magnetic and radiometric data on 100 metre line spacings over EL 24625 and EL 24637.

This was followed by further aircore drilling comprising a total of (4,392 metres; 207 holes), which returned best results of 50 ppm U from 6-9 metres and 44 ppm U from 6-9 metres and 42 ppm U from 6-9 metres.

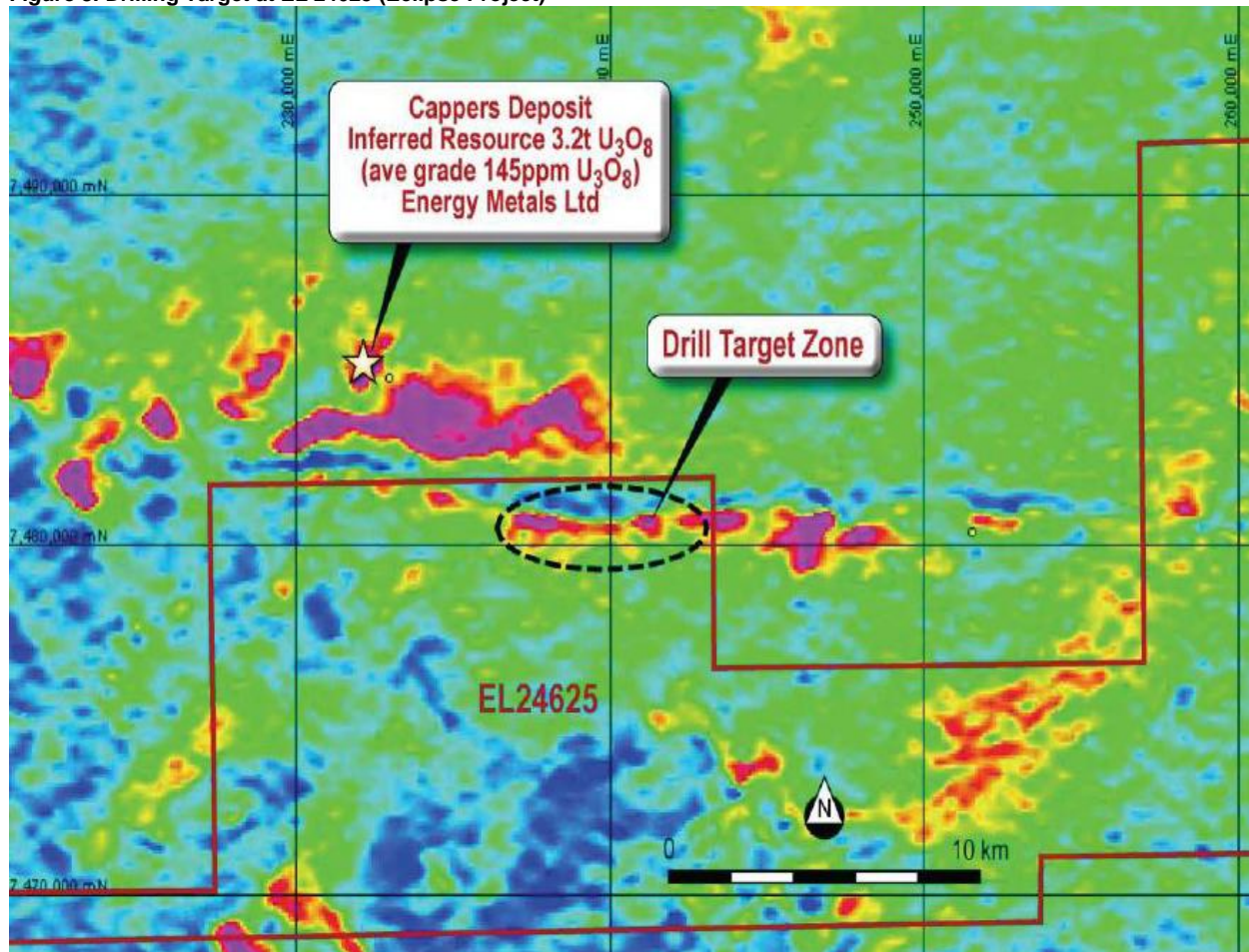
2.1.3 Exploration Program Planned by EUL

EUL have proposed a 5,000-metre RAB drilling program in the first two years, followed by RC drilling of 4,000 metres in Year 1 and 7,500 metres in year 2.

On 21 February 2011, EUL announced an initial drilling program (2,000 metres; 24 holes) on EL 24625, targeting radiometric anomalies on the southern margin of the Ngalia Basin. The location of the drilling is approximately eight kilometres SW of Energy Metals' Cappers deposit, which has an inferred resource of 3.2t U₃O₈ @ 145 ppm). The drilling program is scheduled to commence in the current quarter.

In addition, EUL have planned a drilling program for EL 24808, a structurally complex area of the Ngalia Basin, and located 16 kilometres SE of Bigrlyi and approximately 13 kilometres west of the Camel Flat deposit (Energy Metals Ltd). Recent results at Camel Flat include 27m @ 1,708 ppm U₃O₈, 4m @ 2,091 ppm U₃O₈ and 2m @ 1,232 ppm U₃O₈. Approvals are expected to be completed by late April 2011.

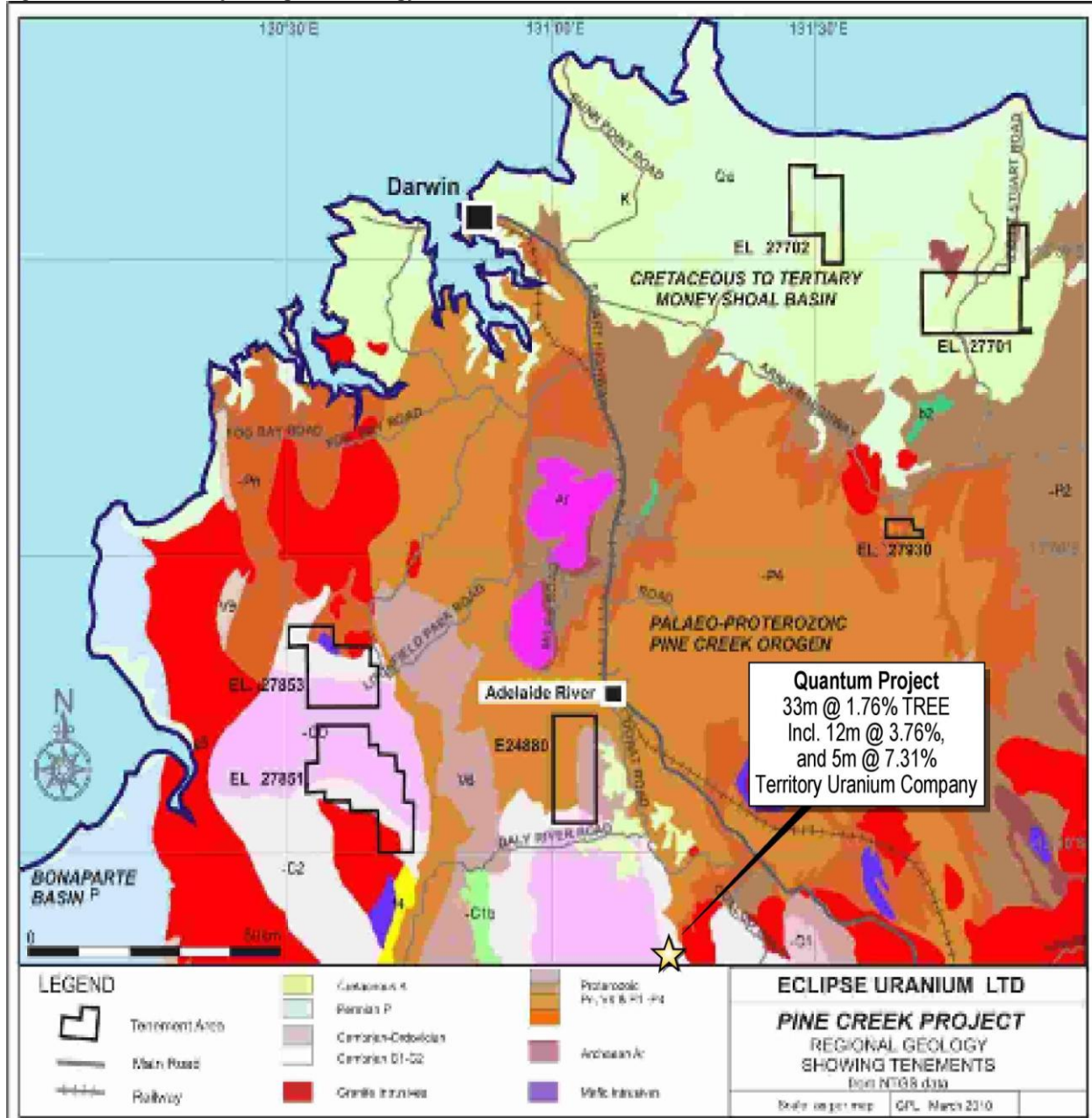
Figure 3: Drilling Target at EL 24625 (Eclipse Project)



2.2 Pine Creek Project

The Pine Creek Project consists of six granted exploration licenses at Adelaide River (EL 24880), Point Stuart (EL 27701), Woolner (EL 27702), Litchfield South (EL 27851) & Litchfield North (EL 27853) and Mount Douglas (EL 27930).

Figure 4: Pine Creek Project Regional Geology and Tenements



2.2.1 Adelaide River

The Adelaide River project covers an area of 184km² and is considered prospective for vein hosted uranium mineralisation associated with a large NE trending regional fault structure that roughly bisects the project area.

The tenement covers the Pine Creek Orogen, which hosts more than 1,300 recognised mineral occurrences, and a small area of the Daly Basin sediments approximately 100 kilometres south of Darwin. The Pine Creek Orogen contains about 20% of the world's low-cost uranium resources, including the unconformity style Ranger and Jabiluka uranium mines.

Production from the Adelaide River mine, located three kilometres of the Adelaide River project and discovered in 1954, was 3.861t @ 0.5% U₃O₈.

Previous exploration has included airborne radiometric and magnetic surveys over the entire license area, which identified a number of discrete bull-eye radiometric uranium anomalies and areas of broadly elevated anomalism. Initial interpretation of these anomalies indicated the presence of elevated uranium readings from handheld XRF sampling.

2.2.2 Point Stuart

The Point Stuart tenement covers an area of ~261km² and is located 81 kilometres SE of Darwin on the Pine Creek Geosyncline, which is recognised as a major uranium and gold province. While the area has never been explored for uranium, the area is identified as suitable to host unconformity and vein-style uranium deposits and similar to the type of mineralisation found 100 kilometres east in the Alligator Rivers Uranium Field.

2.2.3 Woolner

The Woolner tenement covers an area of 151km² and is located 59 kilometres east of Darwin. The Woolner Dome is relatively unexplored compared to the Rum Jungle complex and the Nanambu-Ranger complex. An unconformity related exploration model was used to explore for uranium mineralisation, based on the area sharing broad similarities with the Rum Jungle and Alligator River fields.

Historical exploration has been limited to approximately 10,000 metres of open hole and diamond drilling on broad spaced reconnaissance exploration drilling. In addition, regional gravity surveys and ground magnetic surveys were carried out and an airborne survey was carried out over parts of the tenement.

In late 2009, two mud rotary-diamond drill holes were drilled to a depth of 300 metres through the magnetic BIF unit into the Woolner Granite.

2.2.4 Litchfield North & Litchfield South

The Litchfield tenement applications are located approximately 59 kilometres SE of Darwin and include two exploration license applications covering area of 307km² (Litchfield South) and 187km² (Litchfield North) and on the western tip section of the Pine Creek Geosyncline and intersect parts of the Daly and Birrinbindu Basins.

The prospects are located in a zone of high uranium background, with the source of these being the Achaean granite basement.

2.2.5 Mt Douglas

The Mt Douglas project covers an area of 23km² and is located approximately 120 kilometres SE of Darwin. Generally, this area has been poorly explored for uranium. The area lies between the upper reaches of the McKinley and Mary rivers and encompasses the Douglas Range uplands. The outcrop zones relating to the Douglas Ranges are on a strong NE trend that appears to be truncated by a NW trending highly magnetic linear.

Yellow Rock Resources, which have previously conducted radiometric airborne surveys over most of the exploration license, discovered further uranium anomalies on the Mt Douglas tenement. Total magnetic intensity images indicated several structures of interest on the Mt Douglas tenement. Soil sampling data and recorded geochemical results indicate positive assays for thorium, uranium and vanadium.

In the southern part of the tenement, the rocks of the Pine Creek Geosyncline¹ show interesting and varied radiometric counts that register sufficient interest for uranium prospectivity in source rocks.

¹ The Mt Douglas tenement is situated on the eastern side of the Pine Creek Geosyncline Block.

3. OTHER PROJECTS

3.1 West Arnhem Project

The West Arnhem project includes two exploration license applications at Devil's Elbow and Gumadeer.

The **Devil's Elbow** tenement is located 285 kilometres east of Darwin in West Arnhem Land (largely untested by modern exploration techniques) in the McArthur Basin in the Alligators Rivers Uranium Field. The tenement is located SE of the Nabarlek mine (worked-out), which produced 12kt of uranium oxide (and more than 12 million oz of uranium) and the current mines of Ranger and Jabiluka.

The **Gumadeer** tenement is located 287 kilometres east of Darwin and is within close proximity to the Nabarlek mine. The mineralisation is steeply dipping and contained within the Nabarlek Shear Zone. A review of existing exploration data has identified over three kilometres of largely untested strike of the Nabarlek Shear Zone within the immediate area.

3.2 North Arunta Project

The North Arunta project includes two prospects NW of Alice Springs and covers the Lander Rock Beds and contains evidence of uranium anomalism in the form of total count radiometrics. There is evidence of possible uranium prospectivity in the Lander Rock Beds, which underlie most of the tenement area.

The nearby Napperby area includes a historic mineralised zone discovered and explored by CRA Exploration and Uranerz in the late 1970s. The exploration defined a mineralised zone of over 20 kilometres strike length.

3.3 Lake Mackay Project

The Lake Mackay project covers 159km² and is located 560 kilometres NW of Alice Springs on the Western Australia – Northern Territory border. The license area covers the eastern edge of Lake Mackay and contains a 10km x 1km airborne radiometric uranium anomaly associated with lake edge sediments, which have the potential to host U₃O₈ mineralisation.

3.4 Canning Basin Project

The Canning Basin project covers 516km² and is located 560 kilometres NW of Alice Springs on the Western Australia – Northern Territory border and contains a 10km x 1km airborne radiometric uranium anomaly associated with lake edge sediments. A review of historical exploration shows that no exploration for calcrete hosted uranium mineralisation has been undertaken in this area.

4. URANIUM IN AUSTRALIA

4.1 Outline

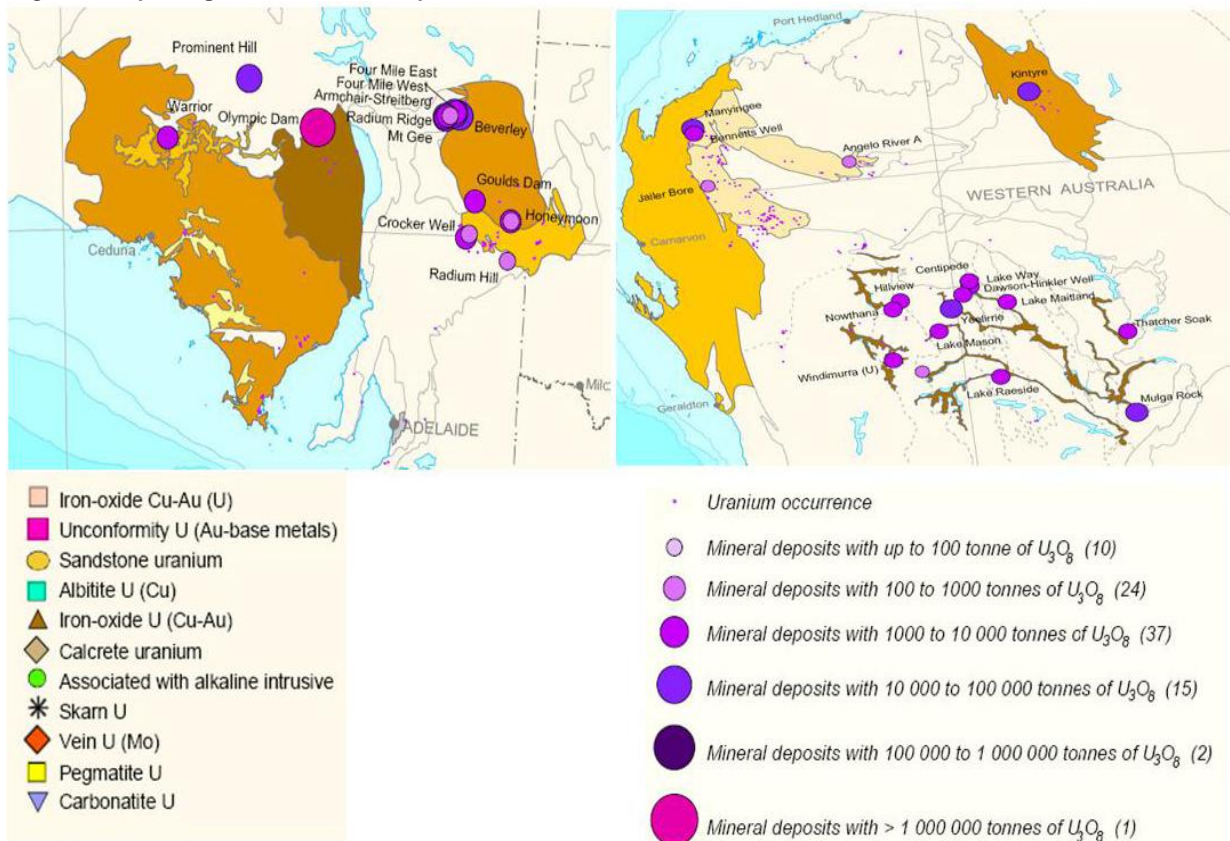
Australian uranium is produced only for export, with demand for uranium is growing as overseas countries increasingly look to nuclear power as a secure, reliable source of base-load electricity. Uranium is shipped through the Ports of Darwin and Adelaide.

Uranium exploration and mining is permitted in South Australia, the Northern Territory and Western Australia. Uranium exploration alone is permitted in Queensland but mining is banned, as it is in Victoria and NSW.

Australia is estimated to have nearly 40% of the world's uranium recoverable at reasonable cost, yet only supplies only 19% of the world market. Deloitte has estimated that Australia's uranium exports could increase from around 10ktpa (in 2007), to between 28.5ktpa and 37ktpa in 2030, with uranium exports forecast by Deloitte to add between \$14.2 billion and \$17.4 billion in net present value terms to Australia's GDP between now and 2030.

The most significant uranium deposits are in South Australia, the Northern Territory, Western Australia and Queensland. The map below outlines the locations of Australia's most significant uranium deposits², in SA (left hand side) and WA (right hand side).

Figure 5: Map of Significant Uranium Deposits in SA and WA



² Source: Australian Geosciences Australia, May 2009 Edition

4.2 Uranium Deposits & Prospective Mines

Uranium mining is currently limited to South Australia, Western Australia and the Northern Territory. Australia's three operating mines are Ranger, in the Northern Territory; Olympic Dam, in SA, and Beverley, also in SA. Two further projects, Honeymoon and Beverley Four Mile in SA, have the potential to begin production within a year to 18 months.

Several other significant deposits in Western Australia, such as Yeelirrie and Kintyre, are currently under development. Production is not likely to begin there before 2014. Figures 4 and 5 below outline Australia's uranium tonnages and grades, respectively³.

Figure 6: Uranium Tonnages - Uranium Deposits and Prospective Mines in Australia

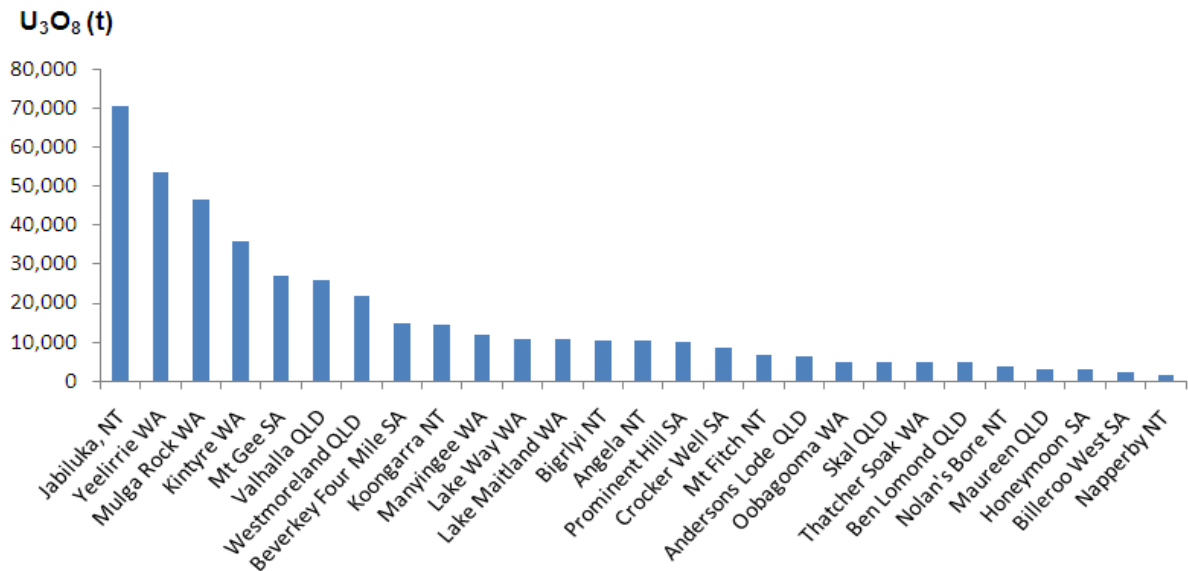
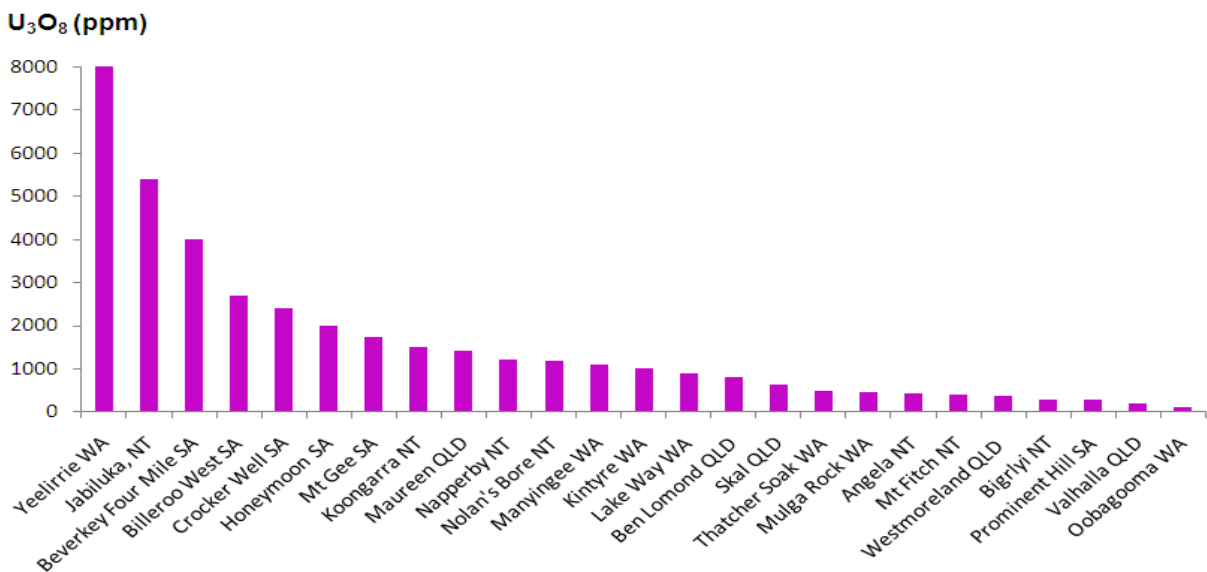


Figure 7: Uranium Grades - Uranium Deposits and Prospective Mines in Australia



³ Source: Australian Uranium Association: *Information Paper – Australia's Uranium Deposits and Prospective Mines*

5. BOARD OF DIRECTORS

DIRECTOR	INTEREST IN EUL	BACKGROUND
Brett Smith <i>Non Exec Chairman</i>	0.15m unlisted options @ 20c, exp 30 Nov 2015	Mr Smith has acquired over 20 years of experience in the mining and exploration industry as a geologist, manager, consultant and director. His industry experience is dominated by exploration and resource definition for mining operations. Currently Chairman of Australian junior energy company, Blackham resources Ltd, Mr Smith oversaw and facilitated the merger of Jackson Minerals Ltd and Scimitar Resources Ltd, to form Cauldron Energy Ltd.
Mark Fogarty <i>Managing Director</i>	20,000 ord shares; 0.25m unlisted options @ 20c, exp 30 Nov 2015	Mr Fogarty has nearly 20 years experience in the mining and exploration industry, having worked extensively on uranium, precious and base metal mining and exploration projects throughout Australia. His most recent role was as Senior Geologist at Cauldron Energy Ltd, where he was involved in the definition of a uranium resource at the Yanrey Project in WA, as well as Cauldron's exploration activities in the Northern Territory and South Australia.
Emilio Pietro Del Fante <i>Non Exec Director</i>	0.15m unlisted options @ 20c, exp 30 Nov 2015	Mr Del Fante has 20 years experience in the mineral and resources sector and is the Managing Director of Dourado Resources Ltd. In his capacity as a consultant in the resources industry, he has also gained exposure and experience in many facets of the mining industry, including indigenous negotiations, establishment of relationships with the corporate and banking sector and liaison with government bodies such as the Department of Mines and Petroleum and the ASX.
Paul Kelly <i>Non Exec Director</i>	10,000 ord shares	<p>Mr Kelly was appointed to the board on 3 March 2011 and has more than 20 years experience in the finance, banking and investments fields. He is currently the CEO of the Perth Glory Football Club and a director of Football West Ltd, a non-for-profit organisation.</p> <p>Mr Kelly is the former Non Executive Chairman of Tianshan Goldfields Ltd and was previously National Manager of Advertising and Sponsorship with Members Equity Bank, where he held a number of senior roles over a 15-year period.</p>

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