ABN 85 142 366 541

Annual Report

For the financial year ended 30 June 2013

Corporate directory

DIRECTORS

Carl Popal	Director
David Sanders	Director
Rodney Dale	Director

COMPANY SECRETARY

Keith Bowker

REGISTERED OFFICE

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West Perth, WA 6005
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PRINCIPAL PLACE OF BUSINESS

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CONTACT DETAILS

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SOLICITORS TO THE COMPANY

Bennett & Co
Level 10, BGC Centre
28 The Esplanade
Perth WA 6000

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

SECURITIES EXCHANGE

Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

ASX Code: **EPM, EPMO**

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
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Directors' report

The directors of Eclipse Metals Limited ("Eclipse" or "the Company") submit herewith the annual report of the Company and the entities it controlled ("Group") at the end of, or during, the financial year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1. DIRECTORS

The names of the directors in office at any time during or since the end of financial year are:

Carl Popal	Director	(Appointed 18 March 2013)
David Sanders	Director	(Resigned 6 July 2012, Re-appointed 18 March 2013)
Rodney Dale	Director	(Appointed 7 October 2013)
Peter Landau	Non-Executive Director	(Appointed 18 March 2013, Resigned 7 October 2013)
Graeme Allan	Non-Executive Chairman	(Resigned 14 March 2013)
Emilio Pietro Del Fante	Managing Director	(Resigned 18 March 2013)
Shane Casley	Non-Executive Director	(Appointed 6 July 2012, Resigned 29 January 2013)
Daryl Smith	Non-Executive Director	(Appointed 1 February 2013, Resigned 18 March 2013)

2. COMPANY SECRETARY

The following person held the position of company secretary at the date of this report:

Mr Keith Bowker was appointed on 7 October 2013. Mr Bowker holds a Bachelor of Commerce degree from Curtin University and is a member of the Institute of Chartered Accountants in Australia. Mr Bowker is a founding director of Somerville Corporate Pty Ltd, a firm which provides financial reporting, company secretarial and corporate advisory services. Mr Bowker has over 13 years of experience providing services to public companies listed on the ASX, AIM and NZX which have been primarily within the resources sector.

3. PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year was mineral exploration.

There were no significant changes in the nature of the Group's principal activities during the financial year.

4. OPERATING RESULTS

The Group reported a net loss of $15,675,845 for the financial year (2012: loss of $1,682,186).

5. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs of the Group other than those disclosed in the annual report.

7. AFTER BALANCE DATE EVENTS

On 7 October 2013, Mr Rodney Dale was appointed as director following the resignation of Mr Peter Landau and Mr Keith Bowker was appointed as company secretary following the resignation of Ms Jane Flegg.

No other matters or circumstances have arisen since the end of the financial year which significantly altered or may significantly alter the operations of the Group, the results of those operations or the state of affairs of the Group in financial years subsequent to 30 June 2013.

8. ENVIRONMENTAL ISSUES

The Group's environmental obligations are regulated under both State and Federal Law. The Group has a policy of complying with its environmental performance obligations. No environmental breaches have been notified to the Group to the date of this report.

Directors' report (cont'd)

9. REVIEW OF OPERATIONS

Corporate

In December 2012, the Group acquired 99.48% of the share capital of Contour Resources Pty Ltd ("Contour"), giving the Group an indirect shareholding in Walla Mines Pty Ltd ("Walla"). When combined with the Group's direct interest in Walla, the Group has an effective interest in Walla of 55.61% at 30 June 2013.

The Group's acquisition of Contour was undertaken to obtain an interest in Walla's exploration projects, which thought to be prospective for gold, manganese and bauxite as follows:

Project	Commodity	Location
Mary Valley	Manganese	Queensland
Bundaberg	Manganese	Queensland
Yellow Jack	Gold	Queensland
Moonford	Bauxite	Queensland
West McArthur	Manganese	Northern Territory
Moss Vale	Bauxite	New South Wales

The Group announced a funding update and change of Board in March 2013.

A Memorandum of Understanding ("MOU") with Ghan Resources Pty Ltd was entered into for the provision of funding support to the Group of up to $500,000 via a loan facility and assistance in procuring the underwriting of the Group's entitlements issue of an amount no less than the amount of the loan facility advanced to the Group.

As part of the MOU the Board and the company secretary resigned and a new Board and company secretary were appointed. New Board members appointed were Mr Carl Popal, Mr Peter Landau, and Mr David Sanders, with Ms Jane Flegg appointed as the new company secretary.

To provide the Group with funding to progress its existing tenement portfolio and to take advantage of other complementary activities in the resources sector that may arise the Group undertook a renounceable entitlements issued in May 2013.

The entitlements issue was underwritten and offered to existing shareholders on the basis of two new shares for every one share held at an offer price of 0.5 cents per share. As at 30 June 2013, a total of 280,000,052 shares were issued under the entitlements issue comprising acceptances received from shareholders and additional shares allocated from the shortfall in consultation with the underwriter.

On 7 October 2013, Mr Rodney Dale was appointed director following the resignation of Mr Peter Landau and Mr Keith Bowker was appointed as company secretary following the resignation of Ms Jane Flegg.

Exploration

Upon the appointment of the new Board, a team of expert geologists including CSA Global were commissioned to provide a preliminary assessment of the Group's tenement portfolio to enable the Group to determine an appropriate exploration strategy going forward.

The Board received the preliminary tenement assessment from the consultant geologists in the last quarter of the financial year.

The preliminary tenement assessment confirmed that several of the Group's tenements, including those of partially owned subsidiary Walla, are prospective for uranium, gold, manganese, and iron with further geological investigation warranted.

The Group has reviewed and evaluated all granted exploration licences with several prospective areas identified including the West Bachelor Uranium Project in the Northern Territory, the Moonford Iron Project in Queensland (held by Walla), and the Yellow Jack Gold Project in Queensland (held by Walla).

A historic review of the West Bachelor Project has outlined two iron prospects within the exploration licence area, with significant hematite identified in the unconformity between the Depot Creek Sandstone and the Burrell Creek Formation. Assay results of a chip sample from this area returned 61.8% Fe with 0.19% P. These prospects are located within the highly prospective Pine Creek Geosyncline where extensive uranium channel anomalies have also been delineated through interpretation of airborne survey data.

Historic review of the Moonford Iron Project includes approximately 17.6km^2 of geology indicative of the presence of iron mineralisation. Previous drilling resulted in near surface mineralisation ranging from 43% - 57.6% iron oxide (Fe_2O_3).

A historic review of the Yellow Jack Gold Project produced a JORC compliant Inferred Mineral Resource down to a 50 metre vertical depth of 855,000t at 1.41 g/t Au (38,760 ounces contained) with gold recoveries ranging from 65% to high 90's%.

The assessment also recommended relinquishment of some tenement groups; accordingly several tenements of the Group were relinquished prior to the year-end. These relinquishments were in addition to relinquishments of some of the Group's less prospective tenements by the former Board. Other tenements may be relinquished when relevant anniversaries occur.

At 30 June 2013, the Board was in the process of identifying tenements to prioritise for future exploration activities and determining which tenements the Group may seek to divest. The Group is actively seeking joint venture partners for its various exploration projects in order to expedite definition of any known resources within the licence areas.

The Board is also considering other opportunities in the resources sector that may arise.

Directors' report (cont'd)

10. INFORMATION ON DIRECTORS

Mr Carl Popal	Executive Director	
Qualifications	Bachelor of Business	
Experience	Mr Popal has managed several entities conducting international trading. He has 13 years' experience in business and property development and has managed various commercial dealings within a network of companies in various countries around the world including India, China and Malaysia.	
Interest in shares and options in the Company	Popal Enterprises Pty Ltd, a company which Mr Popal is a director, holds 7,705,425 fully paid ordinary shares. Ghan Resources Pty Ltd, a company which Mr Popal is a director, holds 114,053,131 fully paid ordinary shares.	
Directorships held in other listed entities	Paynes Find Gold Limited	From: 11 January 2012
Mr David Sanders	Non-Executive Director	
Qualifications	Bachelor of Jurisprudence, Bachelor of Law and Bachelor of Commerce Graduate Diploma of Applied Finance and Investments	
Experience	Mr Sanders is a principal of the law firm Bennett and Co Corporate and Commercial Law and has over 15 years of experience in corporate and resources law. Mr Sanders advises numerous ASX listed companies, including companies in the resources sector, on capital raising, mergers and acquisitions, Corporations Act and ASX Listing Rules compliance and corporate governance.	
Interest in shares and options in the Company	Mr Sanders indirectly holds 2,800,000 fully paid ordinary shares. These shares are held non-beneficially through in his capacity of trustee of the Julian Trust.	
Directorships held in other listed entities	Golden West Resources Limited Marenica Energy Limited Quickflix Limited	From: 1 December 2009 to 30 January 2012 From: 4 August 2008 From 30 November 2012
Mr Rodney Dale	Non-Executive Director	
Qualifications	Fellowship Diploma in Geology (FRMIT)	
Experience	Mr Dale's experience expands over 50 years, working in many parts of Australia, Indonesia and Africa on gold, base metal and industrial mineral exploration and mining. He has worked in and managed small gold mines in Western Australia. Since 1970, Mr Dale has been an independent geological consultant with two periods as a director of ASX listed companies. More recently, Mr Dale has been involved with assessment of iron ore projects in Australia, South America, India, China and Africa.	
Interest in shares and options in the Company	Mr Dale holds no shares or options in the Company.	
Directorships held in other listed entities	Golden Valley Mines Limited Cambrian Resources NL	From: 1986 to 1991 From 1991 to 1999
Mr Peter Landau	Non-Executive Chairman	
Qualifications	Bachelor of Law, Bachelor of Commerce	
Experience	Mr Landau is the founding director of Okap Ventures Pty Ltd and Komodo Capital Pty Ltd, internationally focused project management, corporate advisory and venture capital firms based in Western Australia and London. Mr Landau is a former corporate lawyer and corporate advisor and has over 15 years' experience in providing general corporate, capital raising, transaction and strategic advice to numerous ASX and AIM listed and unlisted companies. Mr Landau has project managed a significant number of oil and gas and mining exploration and development transactions around the world including capital raisings, M & A, joint ventures and finance structures.	
Interest in shares and options in the Company	Okap Ventures Pty Ltd, a company of which Mr Landau is a director, holds 30,000 fully paid ordinary shares. Komodo Capital Pty Ltd, a company of which Mr Landau is a director, holds 16,959,600 fully paid ordinary shares. Doull Holdings Pty Ltd, a company of which Mr Landau is a director, holds 60,000 fully paid ordinary shares.	
Directorships held in other listed entities	Range Resources Limited Black Mountain Resources Limited Nkwe Platinum Limited Paynes Find Gold Limited Continental Coal Limited	From: 8 November 2005 From: 23 August 2011 From: 14 September 2006 From: 11 January 2012 From: 10 December 2002 to 14 May 2013

Directors' report (cont'd)

10. INFORMATION ON DIRECTORS (cont'd)

Mr Graeme Allan	Non-Executive Chairman (Resigned 14 March 2013)
Qualifications	Diploma in Education
Experience	Mr Allan is a director of WGM Asset Management Pty Ltd which is in partnership with WGM Indigenous Services Pty Ltd to increase and develop indigenous employment in the civil and mining industry in the mid-west region of Western Australia. He is also a director of the successful civil construction company BGA Civil Pty Ltd which operates predominantly in Queensland. Mr Allan has extensive managerial experience covering over a 25 year career in the professional sporting industry.
Interest in shares and options in the Company	Brallgra Pty Ltd, a company of which Mr Allan is a director, holds 1,760,000 fully paid ordinary shares.
Directorships held in other listed entities	Dourado Resources Limited From: 16 August 2011 to 14 March 2013

Mr Emilio Pietro Del Fante	Managing Director (Resigned 18 March 2013)
Experience	Mr Del Fante has 20 years' experience in the mineral and resources sector where he is principal of Corporate Tenement Services, a company specialising in mining title management and native title issues. Over the years as a consultant in the resources industry, Mr Del Fante has gained exposure and experience in many facets of the mining industry inclusive of environmental, 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.
Interest in shares and options in the Company	Mr Del Fante holds 150,000 unlisted options exercisable at $0.20 on or before 30 November 2015.
Directorships held in other listed entities	Dourado Resources Limited From: 14 May 2008

Mr Shane Casley	Non-Executive Director (Appointed 6 July 2012, Resigned 29 January 2013)
Experience	Mr Casley is currently a managing partner at Affinity Accountants and has 30 years' accounting experience, including the provision of taxation and management advice to a wide range of clients.
Interest in shares and options in the Company	Mr Casley holds no shares or options in the Company.
Directorships held in other listed entities	Dourado Resources Limited From: 16 August 2011 to 10 December 2012

Mr Daryl Smith	Non-Executive Director (Appointed 1 February 2013, Resigned 18 March 2013)
Experience	Mr Smith has experience in the mineral exploration sector, telecommunications and electronics sector. During his career in the mineral exploration industry he has served on a number of private and public gold base metals exploration companies gaining extensive knowledge and experience in the structuring and financing of mining and exploration projects.
Interest in shares and options in the Company	Mr Smith holds no shares or options in the Company.
Directorships held in other listed entities	During the past three years, Mr Smith has not served as a director of any other companies listed on the Australian Securities Exchange.

Directors' report (cont'd)

11. REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each key management person of Eclipse.

The information provided in this report has been audited as required by Section 308(3c) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

A Remuneration policy
B Details of remuneration
C Equity-based compensation
D Employment contracts of directors

A Remuneration policy

The remuneration policy of Eclipse has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Eclipse believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy, setting the terms and conditions for key management personnel, was developed and approved by the Board.

- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.

- Key management personnel can be employed by the Group on a consultancy basis, upon Board approval, with remuneration and terms stipulated in individual consultancy agreements.

- The Board reviews key management personnel packages annually based on market practices, duties and accountability. Currently there is no link between remuneration and shareholder wealth or Group performance. The Board may, however, approve at its discretion, incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for their performance that results in long-term growth in shareholder wealth.

Key management personnel are also entitled to participate in the employee share and option arrangements.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by key management personnel. Unlisted options are valued using the Black-Scholes methodology.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

Remuneration Committee

During the year ended 30 June 2013, the Group did not have a separately established nomination or remuneration committee. Considering the size of the Group, the number of directors and the Group's early stages of development, the Board is of the view that these functions could be efficiently performed with full Board participation.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate and distinct.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management for the Group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, and particular experience of the individual concerned. The contracts for service between the Group and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.

Directors' report (cont'd)

11. REMUNERATION REPORT (Audited) (cont'd)

Remuneration Policy (cont'd)

Non-Executive Director Remuneration

Objective
The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration of non-executive directors is reviewed annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. However, to align director's interests with shareholders' interests, the directors are encouraged to hold shares in the Group. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Non-executive directors may also be remunerated for additional specialised services performed at the request of the Board and reimbursed for reasonable expenses incurred by directors on company business.

Executive Director Remuneration

Objective
The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Reward executives for individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those shareholders; and
- Ensure total remuneration is competitive by market standards

Currently there is no link between remuneration and shareholder wealth or Group performance.

Structure
Executive directors are provided to the Group on a consultancy basis with remuneration and terms stipulated in individual consultancy agreements.

Directors' report (cont'd)

11. REMUNERATION REPORT (Audited) (cont'd)

B Details of Remuneration

Key Management Personnel Remuneration

The key management personnel of the Group are the directors and executives of Eclipse being:

Carl Popal	Director	(Appointed 18 March 2013)
David Sanders	Director	(Resigned 6 July 2012, Re-appointed 18 March 2013)
Rodney Dale	Director	(Appointed 7 October 2013)
Keith Bowker	Company Secretary	(Appointed 7 October 2013)
Peter Landau	Director	(Appointed 18 March 2013, Resigned 7 October 2013)
Graeme Allan	Non-Executive Chairman	(Resigned 14 March 2013)
Emilio Pietro Del Fante	Managing Director	(Resigned 18 March 2013)
Shane Casley	Non-Executive Director	(Appointed 6 July 2012, Resigned 29 January 2013)
Daryl Smith	Non-Executive Director	(Appointed 1 February 2013, Resigned 18 March 2013)
Jane Flegg	Company Secretary	(Appointed 18 March 2013, Resigned 7 October 2013)

Details of the nature and amount of emoluments of the key management personnel during the financial year are:

		Short-term Benefits	Post Employment Benefits	Equity Settled Share Based Payments		Total	% of Remuneration Received in Equity
		Salary & Fees	Superannuation	Options(vii)	Shares (viii)		
Directors		**$**	**$**	**$**	**$**	**$**	**$**
Carl Popal	2013	-	-	-	-	-	-
	2012	-	-	-	-	-	-
David Sanders	2013	-	-	-	-	-	-
	2012	28,000	-	-	-	28,000	-
Peter Landau	2013	-	-	-	-	-	-
	2012	-	-	-	-	-	-
Jane Flegg (i)	2013	-	-	-	-	-	-
	2012	-	-	-	-	-	-
Graeme Allan (ii)	2013	4,400	-	-	8,800	13,200	66.7
	2012	32,000	-	-	-	32,000	-
Emilio Pietro Del Fante (iii)	2013	29,330	-	6,079	-	35,409	17.2
	2012	48,000	-	9,590	-	57,590	16.6
Shane Casley (iv)	2013	19,400	-	-	-	19,400	-
	2012	-	-	-	-	-	-
Daryl Smith	2013	2,291	-	-	-	2,291	-
	2012	-	-	-	-	-	-
Mark Fogarty	2013	-	-	-	-	-	-
	2012	163,333	14,100	-	-	177,433	-
Brett Smith (v)	2013	-	-	-	-	-	-
	2012	18,000	-	-	-	18,000	-
Paul Kelly (vi)	2013	-	-	-	-	-	-
	2012	18,000	-	-	-	18,000	-
Total	**2013**	**55,421**	**-**	**6,079**	**8,800**	**70,300**	**21**
	2012	307,333	14,100	9,590	-	331,023	3

(i) Ms Jane Flegg is an employee of Okap Ventures Pty Ltd and receives no remuneration directly from the Group.

(ii) During the year ended 30 June 2013, an amount of $13,200 (2012: $32,000) was paid or payable to Brallgra Pty Ltd, a company of which Mr Allan is a director.

(iii) During the year ended 30 June 2013, an amount of $29,330 (2012: $48,000) was paid or payable to Corporate Management Services & Sorna Pty Ltd, a company of which Mr Del Fante is a director.

(iv) During the year ended 30 June 2013, an amount of $19,400 (2012: nil) was paid or payable to Amacat Pty Ltd, a company of which Mr Casley is a director.

(v) During the year ended 30 June 2013, an amount of nil (2012: $18,000) was paid or payable to Topaz Corporate Pty Ltd, a company of which Mr Smith is a director.

(vi) During the year ended 30 June 2013, an amount of nil (2012: $18,000) was paid or payable to PAFK Enterprises Pty Ltd, a company of which Mr Kelly is a director.

(vii) Pro-rata expense of 150,000 options granted 19 April 2010 exercisable at $0.20 on or before 30 November 2015.

(viii) Directors' fees settled in fully paid ordinary shares in lieu of cash.

Directors' report (cont'd)

11. REMUNERATION REPORT (Audited) (cont'd)

C Equity-based compensation

Options Granted as Part of Remuneration for Year Ended 30 June 2013

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to directors and executives of Eclipse to increase goal congruence between executives, directors and shareholders.

Details of options over ordinary shares in the Group provided as remuneration to each director of Eclipse are set out below. When exercisable, each option is convertible into one ordinary share of Eclipse.

Options Granted As Remuneration

Key Management Personnel	Vested No.	Granted No.	Date Granted	Date Vested & Exercisable	Last Exercisable Date	Exercise Price	Value per option at grant date $	Total value at grant date $
Carl Popal	-	-	-	-	-	-	-	-
David Sanders	-	-	-	-	-	-	-	-
Peter Landau	-	-	-	-	-	-	-	-
Graeme Allan	-	-	-	-	-	-	-	-
Emilio Pietro Del Fante	150,000	150,000	19/04/2010	17/02/2013	30/11/2015	$0.20	$0.18	$27,000
Shane Casley	-	-	-	-	-	-	-	-
Daryl Smith	-	-	-	-	-	-	-	-

All options were granted for nil consideration.

Fair values at grant date are independently determined in accordance with applicable Australian accounting standards using a Black-Scholes option pricing model that takes into account the exercise price, the term of the expected dividend yield and the risk-free interest rate for the term of the option. The assessed fair value at grant date of options granted to individuals included in the tables above is allocated over the period from grant date to vesting date.

	2013				
Name	**Number of options granted during the year**	**Number of options vested during the year**	**% Vested**	**Number of options forfeited during the year**	**% Forfeited**
Carl Popal	-	-	-	-	-
David Sanders	-	-	-	-	-
Peter Landau	-	-	-	-	-
Graeme Allan	-	-	-	-	-
Emilio Pietro Del Fante	-	150,000	100%	-	-
Shane Casley	-	-	-	-	-
Daryl Smith	-	-	-	-	-

Shares Issued on Exercise of Compensation Options

No options lapsed and no options were exercised during the year.

11. REMUNERATION REPORT (Audited) (cont'd)

D Employment Contracts of Directors

Remuneration and other terms of employment for executive directors are formalised in executive service agreements and non-executive directors are formalised in consultancy agreements with the Company.

The Group is in the process of implementing agreements for the current Board of directors (Mr Carl Popal, Mr David Sanders and Mr Rodney Dale), at the date of this report executed agreements are not yet in place and remuneration amounts for these directors have not yet been established.

Major provisions of the former directors' agreements relating to remuneration are set out below.

Non-executive chairman - Mr Graeme Allan (resigned 14 March 2013)

- Term of Agreement – No agreement in place.
- Remuneration $48,000 plus GST per annum from 11 November 2011, payable monthly to Mr Graeme Allan or nominee.

Managing director - Mr Emilio Pietro Del Fante (resigned 18 March 2013)

- Term of Agreement – The agreement commenced on 3 March 2010 for an indefinite period until terminated by either party.
- Remuneration – In accordance with the agreement, $80,000 plus GST per annum payable monthly to Mr Emilio Pietro Del Fante or nominee.

Non-executive director - Mr Shane Casley (resigned 29 January 2013)

- Term of Agreement – No agreement in place.
- Remuneration $48,000 plus GST per annum from 6 July 2012, payable monthly to Mr Shane Casley or nominee.

Trading in the Group's securities by directors, officers and employees

The Board has adopted a policy in relation to dealings in the securities of the Group which applies to all directors and employees. Under the policy, the directors, officers and employees are prohibited from dealing in the Group's securities whilst in possession of price sensitive information and also prohibited from short term or "active" trading in the company's securities. The directors, officers and employees should also prevent dealing in the Group's securities during specific blackout periods. The company secretary or a director must be notified upon a trade occurring.

The policy is provided to all directors and employees. Compliance with it is reviewed on an ongoing basis in accordance with the Group's risk management systems.

Voting on the Remuneration Report at the Group's 2012 Annual General Meeting

A resolution to adopt Eclipse Metals Limited's Remuneration Report for the year ending 30 June 2012 was passed at the Annual General Meeting held on 30 November 2012 as required by Section 250R(2) of the *Corporations Act 2001*.

This is the end of the audited Remuneration Report.

12. OPTIONS

As at the date of this report the unissued ordinary shares of Eclipse under option are as follows:

Date of Expiry		Exercise Price	Number Under Option
31 May 2014	listed	20 cents	8,873,500
30 November 2015	unlisted	20 cents	150,000
30 November 2016	unlisted	6 cents	103,023,813
			112,047,313

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Shares issued on exercise of options

There were no shares issued on the exercise of options during the year ended 30 June 2013.

Since the end of the financial year, no ordinary shares have been issued as a result of the exercise of options.

13. MEETINGS OF DIRECTORS

The number of directors' meetings held during the financial year and the numbers of meetings attended by each director were:

	Directors' Meetings	
Director	Number eligible to attend	Number attended
Carl Popal	1	1
David Sanders	1	1
Peter Landau	1	1
Graeme Allan	2	1
Emilio Pietro Del Fante	2	2
Shane Casley	2	2
Daryl Smith	-	-

14. INDEMNIFICATION OF AUDITORS AND OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

15. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Auditor Independence

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 48.

Non-Audit Services

During the year ended 30 June 2013 there were no fees paid or payable for non-audit services provided by the entity's auditors, RSM Bird Cameron Partners.

16. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a part for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the directors:

Carl Popal
Director
7 October 2013

Competent Person's Statement

Information in this report which relates to exploration results, together with any related assessments and interpretations, is based on information compiled by CSA Global Pty Ltd on behalf of Mr Giles Rodney (Rod) Dale. Mr Dale is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Dale is a consultant to the company and is employed by G R Dale & Associates. Mr Dale has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Dale consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2013

	Notes	Consolidated 2013 $	Consolidated 2012 $
Continuing operations			
Revenue and other income	4	223,065	85,752
Employee benefits expenses and director fees	5	(117,927)	(225,359)
Consultancy expenses	5	(384,456)	(716,505)
Professional services expenses	5	(145,783)	(242,373)
Listing expenses		(57,232)	(45,395)
Travel expenses		(11,001)	(43,160)
Administration expenses		(60,563)	(452,620)
Impairment expenses	5	(15,098,852)	-
Depreciation expenses		(5,218)	(41,824)
Finance expenses		(17,878)	(702)
Loss before income tax		(15,675,845)	(1,682,186)
Income tax	7	-	-
Loss after tax from continuing operations		**(15,675,845)**	**(1,682,186)**
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(15,675,845)	(1,682,186)
Net loss is attributable to:			
Owners of Eclipse Metals Limited		(15,593,783)	(1,682,186)
Non-controlling interests		(82,062)	-
		(15,675,845)	(1,682,186)
Total comprehensive loss is attributable to:			
Owners of Eclipse Metals Limited		(15,593,783)	(1,682,186)
Non-controlling interests		(82,062)	-
		(15,675,845)	(1,682,186)
Loss per share (cents per share)			
Basic and diluted loss for the year	20	(7.85)	(1.81)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Consolidated statement of financial position
As at 30 June 2013

	Notes	Consolidated 2013 $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	8	372,283	851,189
Trade and other receivables	9	131,207	121,974
Prepayments	10	3,333	-
Other financial assets	11	600,000	-
Loans receivable	12	-	740,000
Total current assets		1,106,823	1,713,163
Non-current assets			
Plant and equipment	13	-	16,240
Exploration and evaluation expenditure	14	4,047,844	14,041,583
Available for sale financial assets	15	-	550,000
Total non-current assets		4,047,844	14,607,823
Total assets		5,154,667	16,320,986
LIABILITIES			
Current liabilities			
Trade and other payables	17	476,129	171,283
Total current liabilities		476,129	171,283
Total liabilities		476,129	171,283
Net assets		**4,678,538**	**16,149,703**
EQUITY			
Issued capital	18	22,764,510	18,711,654
Reserves	19	38,950	21,039
Accumulated losses		(18,176,773)	(2,582,990)
Owners of Eclipse Metals Limited		4,626,687	16,149,703
Non-controlling interests		51,851	-
Total equity		**4,678,538**	**16,149,703**

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity
For the year ended 30 June 2013

	Issued capital $	Share-based payment reserve $	Other reserve $	Accumulated losses $	Sub-total $	Non-controlling interests $	Total equity $
Balance at 1 July 2012	18,711,654	21,039	-	(2,582,990)	16,149,703	-	16,149,703
Loss for the year	-	-	-	(15,593,783)	(15,593,783)	(82,062)	(15,675,845)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(15,593,783)**	**(15,593,783)**	**(82,062)**	**(15,675,845)**
Transactions with owners in their capacity as owners:							
Shares issued during the year	3,515,142	-	-	-	3,515,142	-	3,515,142
Share issue costs	(146,630)	-	-	-	(146,630)	-	(146,630)
Options issued during the year	684,344	-	-	-	684,344	-	684,344
Director options expensed during the year	-	6,079	-	-	6,079	-	6,079
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	157,745	157,745
Transactions with non-controlling interests	-	-	11,832	-	11,832	(23,832)	(12,000)
Total transactions with owners	**4,052,856**	**6,079**	**11,832**	**-**	**4,070,767**	**133,913**	**4,204,680**
Balance at 30 June 2013	**22,764,510**	**27,118**	**11,832**	**(18,176,773)**	**4,626,687**	**51,851**	**4,678,538**

	Issued capital $	Share-based payment reserve $	Other reserve $	Accumulated losses $	Sub-total $	Non-controlling interests $	Total equity $
Balance at 1 July 2011	14,001,819	41,984	-	(900,804)	13,142,999	-	13,142,999
Loss for the year	-	-	-	(1,682,186)	(1,682,186)	-	(1,682,186)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,682,186)**	**(1,682,186)**	**-**	**(1,682,186)**
Transactions with owners in their capacity as owners:							
Shares issued during the year	4,867,100	-	-	-	4,867,100	-	4,867,100
Share issue costs	(321,000)	-	-	-	(321,000)	-	(321,000)
Options issued during the year	163,735	(20,945)	-	-	142,790	-	142,790
Total transactions with owners	**4,709,835**	**(20,945)**	**-**	**-**	**4,688,890**	**-**	**4,688,890**
Balance at 30 June 2012	**18,711,654**	**21,039**	**-**	**(2,582,990)**	**16,149,703**	**-**	**16,149,703**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows
For the year ended 30 June 2013

	Notes	Consolidated 2013 $	2012 $
Cash flows from operating activities			
Interest received		7,692	29,996
Consultancy fee received		5,000	5,416
Income tax received		-	2,711
Payments to suppliers and employees		(430,833)	(1,440,186)
Finance costs		(5,871)	(702)
Income tax paid		-	(3,461)
Net cash used in operating activities	22	(424,012)	(1,406,226)
Cash flows from investing activities			
Net cash on acquisition of subsidiaries	16	121	1,289
Purchase of available for sale investments		-	(500,000)
Payments for exploration and evaluation		(61,935)	(875,969)
Payment for plant and equipment		-	(38,919)
Loans to other entities		(659,998)	(740,000)
Loans repaid by other entities		65,691	-
Net cash used in investing activities		(656,121)	(2,153,599)
Cash flows from financing activities			
Proceeds from issue of equity securities		631,603	1,997,835
Payment for share issue costs		(30,376)	(246,000)
Net cash provided by financing activities		601,227	1,751,835
Net decrease in cash and cash equivalents		(478,906)	(1,807,990)
Cash and cash equivalents at beginning of year		851,189	2,659,179
Cash and cash equivalents at end of year	8	**372,283**	**851,189**

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements
For the year ended 30 June 2013

1. CORPORATE INFORMATION

These financial statements and notes represent those of Eclipse Metals Limited ("Eclipse" or "the Company") and its Controlled Entities (the "Group"). The separate financial statements of the parent entity, Eclipse, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 7 October 2013.

Eclipse is a public company incorporated in Western Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the directors' report.

2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards as issued by the IASB.

The financial report has also been prepared on the accruals basis and historical cost basis, except for available for sale investments, which are measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in the financial report except where stated.

b) Adoption of new and revised accounting standards

New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

At the date of the authorisation of the financial statements, the standards and Interpretations listed below were issued but not yet effective.

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015
2009-11	*Amendments to Australian Accounting Standards arising from AASB 9*	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2015
2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010	1 January 2015
AASB 10	*Consolidated Financial Statements*	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013
AASB 11	*Joint Arrangements*	Replaces the requirements of AASB 131 pertaining to the principles to be applied for financial reporting by entities that have in interest in arrangements that are jointly controlled.	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Adoption of new and revised Accounting Standards

Reference	Title	Summary	Application date (financial years beginning)
AASB 12	*Disclosure of Interests in Other Entities*	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2013
AASB 127	*Separate Financial Statements*	Prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 January 2013
AASB 128	*Investments in Associates and Joint Ventures*	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2013
2011-7	*Amendments to Australian Accounting Standards arising from AASB 10,11,12,127,128*	Amends AASB 1,2,3,5,7,9,2009-11,101,107,112,118,121,124,132,133,136,138,139,1023 & 1038 and Interpretations 5,9,16 & 17 as a result of the issuance of AASB 10, 11, 12, 127 and 128	1 January 2013
AASB 13	*Fair Value Measurement*	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013
2011-8	*Amendments to Australian Accounting Standards arising from AASB 13*	Amends AASB 1, 2, 3, 4, 5, 7, 9, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132 as a result of issuance of AASB 13 *Fair Value Measurement*.	1 January 2013
2011-10	*Amendments to Australian Accounting Standards arising from AASB 119*	Amends AASB 1, 8, 101, 124, 134, 1049, 2011-8 & Interpretation 14 as a result of the issuance of AASB 119 *Employee Benefits*.	1 January 2013
AASB 1053	*Application of Tiers of Australian Accounting Standards*	This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013
2010-2	*Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements and amends AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052.	1 July 2013
2011-2	*Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements*	This Standard makes amendments to AASB 101 & AASB 1054 in relation to the Australian additional disclosures arising from the Trans-Tasman Convergence Project.	1 July 2013
2011-4	*Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*	This Standard amends AASB 124 *Related Party Disclosures* to remove all the individual key management personnel (KMP) disclosures contained in Aus paragraphs 29.1 to 29.9.3.	1 July 2013

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Adoption of new and revised Accounting Standards

Reference	Title	Summary	Application date (financial years beginning)
IFRIC Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*	This Interpretation clarifies the requirements for accounting for stripping costs in the production phase of a surface mine, such as when such costs can be recognised as an asset and how that asset should be measured, both initially and subsequently.	1 January 2013
2012-2	*Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*	This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the (potential) effect of netting arrangements. It also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.	1 January 2013
2012-3	*Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.	1 January 2014
2012-5	*Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*	This Standard makes amendments to AASB 1, 101, 116, 132, 134 & Interpretation 2 as a result from 2009-2011 Annual Improvements Cycle.	1 January 2013
2012-6	*Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures*	This Standard amends the mandatory effective date of AASB 9 *Financial Instruments* so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013.	1 January 2013
2012-7	*Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*	This Standard adds to or amends the Australian Accounting Standards – Reduced Disclosure Requirements for AASB 7, 12, 101 and 127.	1 July 2013
2012-9	*Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*	This Standard amends AASB 1048 Interpretation of Standards as a consequence of the withdrawal of Australian Interpretation 1039 Substantive Enactment of Major Tax Bills in Australia.	1 January 2013
2012-10	*Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*	Amends AASB 10, AASB 11 and related Standards with respect to transition guidance to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. In addition amends these standards so that they apply mandatorily to not-for-profit entities from 1 January 2014, with early application permitted for not-for-profit entities only from 1 January 2013.	1 January 2013

There were no new and revised Accounting Standards and Interpretations adopted in the current year that have had a significant effect on the amounts reported or disclosures.

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Going concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Company and the Group incurred net losses of $15,776,746 and $15,675,845 respectively for the year ended 30 June 2013. The Group also had net cash outflows from operating activities of $424,012 for the year ended 30 June 2013.

These factors indicate significant uncertainty as to whether the Company and the Group will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that it is reasonably foreseeable that the Company and the Group will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The cash assets of the Group at 30 June 2013 were $372,283;
- The Company is entitled to receive $600,000 by way of proceeds from the underwriting;
- The Company can issue additional shares for cash in accordance with the Corporations Act; and
- Ability to further reduce operational cost levels, to conserve cash in the event that capital raisings are delayed or partially successful.

Accordingly, the directors believe that the Company and the Group will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company and the Group does not continue as going concerns.

d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the functional currency of the Group.

e) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

<u>Share-based payment transactions</u>

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

<u>Mineral exploration and evaluation</u>

The Group has impaired exploration expenditure of $13,033,546 at 30 June 2013 (2012: nil). Exploration expenditure has been impaired in respect of tenements the Group has relinquished during the year and tenements on which the Group has no further exploration work planned or budgeted.

At 30 June 2013, the Group has capitalised exploration expenditure of $4,047,844 on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

<u>Deferred taxation</u>

Potential future income tax benefits have not been brought to account at 30 June 2013 because the directors do not believe that it is appropriate to regard realisations of future income tax benefits.

f) Principles of consolidation

The financial statements incorporate the assets, liabilities and results of entities controlled by Eclipse Metals Limited at the end of the reporting period. A controlled entity is any entity over which Eclipse Metals Limited has the ability and right to govern the financial and operating policies of so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In preparing the financial statements, all intragroup balances and transactions between entities in the Group have been eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

g) Borrowing costs

Borrowing costs are recognised as an expense when incurred, except for borrowing cost relating to qualifying assets when the interest is capitalised to the qualifying assets.

h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

j) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

<u>Financial assets at fair value through profit or loss</u>

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

k) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless that asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets. In which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

l) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

When the deferred tax liability arises from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither the accounting profit nor taxable profit or loss; or

When the taxable temporary difference arises from the initial recognition of goodwill; or

When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised, except:

When the deductible temporary difference giving rise to the asset arises from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither accounting profit nor taxable income; or

When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when they relate to the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

n) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the Group. All other leases are classified as operating leases.

Finance leases are capitalised, recording an asset and a liability equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Property, plant and equipment

Each class of property, plant and equipment is stated at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment 33.3% - 50%.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

p) Provisions and employee leave benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying value is the present value of those cashflows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, for example under an insurance contract, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

q) Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

r) Trade and other payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

s) Exploration and evaluation expenditure

Exploration and evaluation expenditure on areas of interest are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area of where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Group reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from the equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributed incremental costs (net of income taxes) is recognised directly in equity.

u) Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no considerations in relation to dilutive potential ordinary shares.

v) Share based payments

Share-based compensation benefits to directors, employees and consultants are provided at the discretion of the Board.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipient becomes unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised in each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

w) Parent entity financial information

The financial information for the parent entity, Eclipse Metals Limited, disclosed in Note 27 has been prepared on the same basis as the financial statements for the Group, except as set out below.

<u>Investments in subsidiaries</u>

Investments in subsidiaries are accounted for at cost less impairment, if applicable, in the financial statements of the Company.

x) Comparatives

Certain comparatives have been reclassified where necessary to be consistent with the current year's disclosures.

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

3. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following the adoption of AASB 8, the identification of the Group's reportable segments has not changed. During the year, the Group considers that it has only operated within one segment, being mineral exploration within Australia.

The Group is domiciled in Australia, with all assets and operations located in Australia.

No operating revenue was derived during the year (2012 – nil).

	Consolidated	
	2013	**2012**
	$	**$**
4. REVENUE AND OTHER INCOME		
Revenue		
Consultancy fees	5,000	5,416
	5,000	5,416
Other income		
Interest revenue	41,524	34,881
Option based payment	90,909	45,455
Reimbursement of costs	28,160	-
Equity settled liability gain	47,472	-
Grant of option over tenement	10,000	-
	218,065	80,336
Total Revenue and other income	**223,065**	**85,752**
5. EXPENSES		
Employee benefits expenses and director fees		
Wages and salaries	85,470	298,235
Directors' fees	64,221	144,000
Share based payments	6,079	(20,944)
Other employee benefits	-	57,774
Capitalised to exploration and evaluation expenditure	(37,843)	(253,706)
	117,927	**225,359**
Consultancy expenses		
Consulting fees	80,000	120,000
Corporate advisory	304,456	438,505
Other	-	158,000
	384,456	**716,505**
Professional services expenses		
Secretarial fees	36,954	66,046
Legal fees	60,466	71,399
Marketing and public relations fees	1,824	32,263
Other services	33,000	48,315
Taxation advice	13,539	24,350
	145,783	**242,373**
Impairment		
Exploration expenditure	13,033,546	-
Available for sale financial assets	1,876,216	-
Receivables	178,068	-
Property, plant and equipment	11,022	-
	15,098,852	**-**

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

	Consolidated 2013 $	Consolidated 2012 $
6. AUDITORS' REMUNERATION		
Remuneration of the auditor (RSM Bird Cameron Partners) for:		
Auditing and review of financial statements	33,000	28,000
	33,000	**28,000**
7. INCOME TAX		
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from ordinary activities before income tax expense	(15,675,845)	(1,682,186)
Prima facie tax benefit on loss from ordinary activities at 30% (2012: 30%)	(4,702,753)	(504,656)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
- Non-deductible expenses	20	11,034
- Share-based payments	1,824	53,683
- Permanent difference on consolidation	2,078,825	-
Movement in deferred tax not recognised	2,622,084	439,939
Unrecognised temporary differences		
Deferred tax assets (at 30%)		
Carry forward tax losses (operating)	1,449,265	1,109,147
Carry forward tax losses (capital)	45,444	-
Temporary differences	2,104,398	62,155
Total deferred tax assets	3,599,107	1,171,302
Deferred tax liabilities (at 30%)		
Temporary differences	169,801	406,566
Total deferred tax liabilities	169,801	406,566
Net deferred tax asset not brought to account	3,429,306	764,736

Potential future income tax benefits arising from tax losses have not been brought to account at 30 June 2013 because the directors do not believe it is appropriate to regard realisation of the future income tax benefits as possible. These benefits will only be obtained if:

- assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

8. CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at bank and in hand	372,283	851,189
	372,283	**851,189**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

9. TRADE AND OTHER RECEIVABLES

	2013 $	2012 $
Trade and other receivables	-	21,084
Provision for impairment	-	(20,993)
Other receivables (i)	46,161	61,835
Rehabilitation bonds	85,046	60,048
	131,207	**121,974**

(i) Other receivables are non-interest bearing and expected to be received in 90 days.

9. TRADE AND OTHER RECEIVABLES (cont'd)

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 12. The class of assets described as trade and other receivables is considered to be the main source of the Group's exposure to credit risk.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated 2013	Gross amount $	Past due and impaired $	Past due but not impaired (days overdue) <30 $	31 – 60 $	61 – 90 $	>90 $	Within initial trade terms $
Trade and other receivables	-	-	-	-	-	-	-
Other receivables	46,161	-	-	-	-	-	46,161
Rehabilitation bonds	85,046	-	-	-	-	-	85,046
Total	**131,207**	**-**	**-**	**-**	**-**	**-**	**131,207**

Consolidated 2012	Gross amount $	Past due and impaired $	Past due but not impaired (days overdue) <30 $	31 – 60 $	61 – 90 $	>90 $	Within initial trade terms $
Trade and other receivables	21,084	(20,993)	-	-	-	91	-
Other receivables	61,085	-	-	-	-	-	61,085
Prepayment	750	-	-	-	-	-	750
Rehabilitation bonds	60,048	-	-	-	-	-	60,048
Total	**142,967**	**(20,993)**	**-**	**-**	**-**	**91**	**121,883**

	Consolidated 2013 $	**2012 $**
10. PREPAYMENTS		
Other	3,333	-
	3,333	**-**
11. OTHER FINANCIAL ASSETS		
Loans and receivables carried at amortised cost		
Receivable from other parties[1]	600,000	-
	600,000	**-**

[1] 120,000,000 fully paid ordinary shares were issued to Komodo Capital Pty Ltd, a company of which Peter Landau is a director and shareholder, for underwriting the Group's renounceable entitlements offer announced 6 May 2013. Under the underwriting agreement the value of the shares was $600,000. For further information refer to note 25.

On 7 October 2013, Komodo Capital Pty Ltd via a Deed of Settlement has transferred 120,000,000 shares to unrelated parties that will make the shares available to future investors at 0.5 cents per share and direct the proceeds to the Company.

12. LOANS RECEIVABLE

	Consolidated 2013 $	2012 $
Loans receivable, at cost		
Walla Mines Ltd (i)	-	90,000
Klondyke Gold Ltd (ii)	-	50,000
Dourado Resources Ltd (iii)	-	600,000
	-	**740,000**

(i) On 13 January 2012, the Group entered into a loan agreement with Walla Mines Ltd. The terms of the loan are a $90,000 loan for a period of six (6) months at an interest rate of 10% per annum. The Group converted the loan to shares in the borrower at $0.05 each.

(ii) On 10 July 2012, the Group announced it had entered into a $700,000 loan agreement with Klondyke Gold Ltd. $50,000 of this funding agreement had been utilised prior to 30 June 2012. The Group converted the $50,000 loan to shares in the borrower issued at $0.05 each and the balance of $650,000 to shares in the borrower issued at $0.20 each.

(iii) On 29 June 2012, the Group announced it had entered into a $600,000 loan agreement with Dourado Resources Ltd. The Group also agreed to underwrite a Share Purchase Plan of Dourado Resources Ltd. Funds raised under the Share Placement Plan totalled $58,000 which was used to repay the loan, with the Group converting the balance of $542,000 to shares in the borrower issued at $0.04 each.

13. PLANT AND EQUIPMENT

	2013 $	2012 $
Plant and Equipment		
At Cost	-	31,306
Accumulated depreciation	-	(15,066)
	-	**16,240**

Movements in carrying amounts

	Plant and Equipment $	Total $
Balance at 1 July 2011	52,424	52,424
Additions	5,640	5,640
Depreciation	(41,824)	(41,824)
Carrying amount at 30 June 2012	16,240	16,240
Depreciation	(5,218)	(5,218)
Impairment	(11,022)	(11,022)
Carrying amount at 30 June 2013	**-**	**-**

14. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2013	**2012**
	$	**$**
Tenement acquisition at cost		
Balance at 1 July 2012	14,041,583	10,546,419
Additions	516,901	693,390
Value of invoices forgiven (i)	(418,355)	-
Acquired on purchase of Contour Resources Pty Ltd	1,853,037	-
Acquired on purchase of Walla Mines Pty Ltd	1,088,224	-
Acquired on purchase of Central Energy Pty Ltd and its subsidiaries	-	2,801,774
Impairment	(13,033,546)	-
Balance at 30 June 2013	**4,047,844**	**14,041,583**

Upon the appointment of the new Board, several of the Group's least prospective tenements were relinquished or deemed not worthy of further exploration. Relinquishment of these tenements allows the Group to focus its resources on the more prospective tenements and evaluate other opportunities in the resources sector that may arise.

The Group has relinquished and impaired the following tenements:

Tenement	Project	Status
EL 24625	Eclipse	Granted
EL 24637	Eclipse	Granted
EL 29563	Eclipse	Granted
EL 24880	Adelaide River	Granted
ELA 27701	Pine Creek	Application
ELA 27930	Pine Creek	Application
ELA 26262	Pine Creek	Application

The Group has impaired the following tenements on which it is not expected to incur any future exploration expenditure going forward:

Tenement	Project	Status
EL 27702	Woolner (ii)	Granted
EL 27851	Litchfield South (ii)	Granted
EL 25943	North Moline (ii)	Granted
EL 25942	North Moline (ii)	Granted
EPM 17810	Bundaberg	Granted

The Group has also impaired the following tenements which are under application at 30 June 2013:

Tenement	Project	Tenement	Project
ELA 24623	Eclipse	ELA 26004	Tanami
ELA 24624	Eclipse	ELA 26193	Liverpool 1
ELA 24627	Eclipse	ELA 26244	Liverpool 2
ELA 24861	Lack Mackay	ELA 26283	Mt Theo
ELA 24862	Canning Basin	ELA 26284	Mt Patriia
ELA 25666	Mt Poizieres	ELA 26491	Chilla Well
ELA 25998	Tanami	ELA 26492	Wild Cat Bore
ELA 25999	Tanami	ELA 26493	Puyurru
ELA 26000	Tanami	ELA 27130	Flying Fox
ELA 26001	Tanami	ELA 27549	Liverpool 3
ELA 26002	Tanami	ELA 27584	Devil's Elbow
ELA 26003	Tanami	ELA 27703	Gumadeer

The ultimate recoupment of costs carried forward in respect of areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas. The Group has an interest in certain exploration tenements and the amounts shown above include amounts expended to date in the acquisition and/or exploration of these tenements.

(i) Represents invoices received prior to the appointment of the new Board which were forgiven upon the new Board's appointment.
(ii) Relinquished subsequent to year-end.

15. AVAILABLE FOR SALE FINANCIAL ASSETS

	Consolidated 2013 $	Consolidated 2012 $
Financial assets		
Listed investments, at fair value		
Shares in listed corporations (i)	-	-
	-	-
Unlisted investments, at cost		
Shares in other corporations (ii)	-	500,000
Options in other corporations (iii)	-	50,000
	-	**550,000**

(i) The Group has an investment in Dourado Resources Ltd ("Dourado") with a carrying value of nil at 30 June 2013. Dourado has been suspended from trading on the ASX since 15 March 2013; accordingly the value of this investment of $542,000 was impaired during the year ended 30 June 2013.

(ii) On 13 December 2012, the Group converted the loan plus outstanding interest totalling $734,216 to shares in Klondyke Gold Ltd. This investment is in addition to the 5,000,000 shares in Klondyke Gold Limited with a value of $500,000 acquired on 24 November 2011. This shareholding is subject to a twenty-four (24) month escrow from the date of Klondyke Gold Ltd's ASX listing. The value of this investment of $1,234,216 was impaired during the year ended 30 June 2013.

(iii) On 10 April 2012 the Group acquired 5,000,000 Unlisted Options in Walla Mines Limited exercisable at $0.20 on or before 30 November 2015 as part of a loan fee. On 12 December 2012 the Group transferred the value of these options to the cost of acquisition of Walla Mines Ltd as a controlled entity.

(iv) On 9 July 2012 the Group acquired 10,000,000 Unlisted Options in Klondyke Gold Ltd exercisable at $0.20 on or before 30 November 2015 as part of a loan fee. The value of this investment of $100,000 was impaired during the year ended 30 June 2013.

16. CONTROLLED ENTITIES

Controlled entities consolidated

	Country of Incorporation	Percentage Owned (%)*	
		30 June 2013	30 June 2012
Subsidiaries of Eclipse Metals Ltd:			
North Minerals Pty Ltd	Australia	100.00	100.00
Central Energy Pty Ltd	Australia	100.00	100.00
Whitvista Pty Ltd	Australia	100.00	100.00
U308 Agencies Australia Pty Ltd	Australia	100.00	100.00
Walla Mines Pty Ltd (i)	Australia	55.61	-
Contour Resources Pty Ltd	Australia	99.48	-

*Percentage of voting power is in proportion to ownership

(i) Direct and indirect percentage owned

Acquisition of controlled entities

2013

<u>Contour Resources Pty Ltd ("Contour")</u>

On 5 December 2012, Eclipse acquired 96.38% of the issued share capital of Contour which holds a direct ownership interest in Walla of 39.28%.

The acquisition of Contour was treated as an asset purchase. It was impractical to determine the fair value of Contour using other methods; management of the Group therefore measured the purchase based upon the fair value of the shares and options issued in acquiring Contour. The total cost of the acquisition was $2,145,444 and comprised an issue of equity instruments. Eclipse issued 74,600,000 ordinary shares with a fair value of $0.02 each and 85,979,480 unlisted options with a fair value of $0.0076 each. The fair values of the shares and options are based on the quoted price of the shares and a Black-Scholes valuation technique for the option calculation of Eclipse at the date of acquisition.

	Recognised on acquisition $
Cash and cash equivalents	42
Trade and other receivables	150
Financial assets	303,300
Exploration and evaluation expenditure	1,853,037
Trade and other payables	(102)
Net assets attributable to non-controlling interest	(10,983)
Net assets acquired	2,145,444
Cost of the acquisition	
Shares issued at fair value	1,492,000
Options issued at fair value	653,444
	2,145,444

<u>Walla Mines Pty Ltd ("Walla")</u>

On 5 December 2012, Eclipse acquired 96.38% of the issued share capital of Contour which holds a direct ownership interest in Walla of 39.28%. This acquisition, when combined with Eclipse's direct ownership interests in Walla, gives Eclipse a direct and indirect controlling interest of 54.39% of Walla.

The acquisition of Walla was treated as an asset purchase. It was impractical to determine the fair value of Walla using other methods; management of the Group therefore measured the purchase based upon the fair value of the shares and options issued in acquiring Walla. The total cost of the acquisition was $757,100 and comprised an issue of equity instruments and the conversion of debt to equity. Eclipse issued 7,200,000 ordinary shares with a fair value of $0.039 each and 3,750,000 unlisted options with a fair value of $0.0076 each. In addition, Eclipse had previously acquired a direct equity holding in Walla via the conversion of debt instruments to equity and the receipt of an option based payment. The fair values of the shares and options are based on the quoted price of the shares and a Black-Scholes valuation technique for the option calculation of Eclipse at the date of acquisition.

16 CONTROLLED ENTITIES (cont'd)

	Recognised on acquisition $
Cash and cash equivalents	79
Trade and other receivables	368,276
Exploration and evaluation expenditure	1,088,224
Trade and other payables	(552,717)
Net assets attributable to non-controlling interest	(146,762)
Net assets acquired	757,100
Cost of the acquisition	
Loan conversion to shares	94,500
Option based payments	50,000
Shares issued at fair value	584,100
Options issued at fair value	28,500
	757,100

At acquisition date, Walla had $137,978 of trade and other receivables due from MPM Contracting Pty Ltd, $188,503 of trade and other receivables due from Pacific Corporate Services Pty Ltd, and $175,000 of trade and other payables due to Pacific Corporate Services Pty Ltd. Pacific Corporate Services Pty Ltd and MPM Contracting Pty Ltd are shareholders in Eclipse.

These trade and other receivables and trade and other payables were forgiven upon the appointment of the new Board in March 2013, resulting in a net impairment expense recognised by the Group of $151,481 during the year ended 30 June 2013. This impairment expense is included within total receivables impairment of $178,068 at Note 5.

2012

Central Energy Pty Ltd ("Central"), Whitvista Pty Ltd, and U308 Agencies Australia Pty Ltd

On 4 January 2012, Eclipse announced it had acquired all of the issued capital and options of Central together with its 100% owned subsidiaries Whitvista Pty Ltd and U308 Agencies Australia Pty Ltd.

The acquisition of Central was treated as an asset purchase. It was impractical to determine the fair value of Central using other methods; management of the Group therefore measured the purchase based upon the fair value of the shares and options issued in acquiring Contour. The total cost of the acquisition was $2,800,000 and comprised an issue of equity instruments. Eclipse issued 35,000,000 ordinary shares with a fair value of $0.08 each. The fair value of the shares was based on the quoted price of the shares of Eclipse at the date of acquisition.

	Recognised on acquisition $
Cash and cash equivalents	1,289
Trade and other receivables	397
Exploration and evaluation expenditure	2,801,774
Trade and other payables	(3,460)
Net assets acquired	2,800,000
Cost of the acquisition	
Shares issued at fair value	2,800,000
	2,800,000

Transactions with non-controlling interests

2013

Contour Resources Pty Ltd

On 28 June 2013, Eclipse acquired an additional 3.1% interest in Contour, increasing its total interest in Contour from 96.38% to 99.48%. The additional interest acquired in Contour also increased the Group's indirect shareholding in Walla from 54.39% to 55.61%.

16 CONTROLLED ENTITIES (cont'd)

The Group measured the purchase based upon the fair value of the shares and options issued in acquiring the additional interest, which is the same as the method used to value the initial Contour equity interest acquired. The total cost of the 3.1% acquisition was $12,000 and comprised an issue of equity instruments. Eclipse issued 2,400,000 ordinary shares with a fair value of $0.004 each and 2,400,000 unlisted options exercisable at $0.06 on or before 30 November 2016 with a fair value of $0.001 each. The fair values of the shares and options are based on the quoted price of the shares and a Black-Scholes valuation technique for the option calculation of Eclipse at the date of acquisition.

The effect of the additional Contour interest acquired on the equity attributable to the owners of Eclipse is summarised as follows:

	$
Carrying amount of non-controlling interest acquired	23,831
Consideration paid for non-controlling interest	(12,000)
Excess of carrying amount of non-controlling interest acquired recognised in other reserves in equity	11,831

	Consolidated	
	2013	2012
	$	$
17. TRADE AND OTHER PAYABLES		
Unsecured liabilities		
Trade payables	315,270	60,371
Accruals and other payables	160,859	110,912
	476,129	**171,283**

These amounts arise from the usual operating activities of the Group and are carried at amortised cost.

18. ISSUED CAPITAL

Ordinary shares issued and fully paid (a)	21,916,431	18,547,919
Options issued (b)	848,079	163,735
	22,764,510	**18,711,654**

a) Fully paid ordinary shares

	Consolidated	
	Number	$
Balance at 1 July 2011	**70,747,000**	**14,001,819**
Shares issued during the year		
Issued on 6 July 2011 for services received	1,580,000	158,000
Issued on 4 January 2012 for acquisition of subsidiary	35,000,000	2,800,000
Issued on 18 May 2012 for cash pursuant to placement	10,574,982	634,500
Issued on 25 June 2012 for cash pursuant to placement	21,243,326	1,274,600
Share issue costs	-	(321,000)
Balance at 30 June 2012	**139,145,308**	**18,547,919**
Shares issued during the year		
Issued on 13 September 2012 for acquisition of subsidiary	7,200,000	280,800
Issued on 5 December 2012 for acquisition of subsidiary	74,600,000	1,492,000
Issued on 5 December 2012 for services received	9,494,333	189,886
Issued on 11 January 2013 for cash pursuant to placement	1,400,000	35,000
Issued on 19 March 2013 for services received	11,353,131	107,855
Issued on 27 June 2013 pursuant to entitlements issue	280,000,052	1,400,000
Issued on 28 June 2013 for additional interest in subsidiary	2,400,000	9,600
Share issue costs	-	(146,629)
Balance at 30 June 2013	**525,592,824**	**21,916,431**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

18 ISSUED CAPITAL (cont'd)

b) Options

At 30 June 2013, the unissued ordinary shares of Eclipse under option are as follows:

Date of Expiry		Exercise Price	Number Under Option
31 May 2014	listed	20 cents	8,873,500
20 November 2015	unlisted	20 cents	150,000
30 November 2016	unlisted	6 cents	103,023,813
			112,047,313

Movements

	Consolidated	
	Number	**$**
Balance at 1 July 2011	**550,000**	**-**
Movements during the year		
Issued on 26 July 2011 for non-renounceable entitlement offer	3,604,749	36,047
Issued on 15 August 2011 for non-renounceable entitlement offer	5,268,751	52,688
Issued on 18 May 2012 for cash pursuant to placement, 1:2 free attaching options	5,287,491	-
Issued on 25 June 2012 for cash pursuant to placement, 1:2 free attaching options	10,621,674	-
Issued on 25 June 2012 for services received	5,000,000	75,000
Director share options forfeited during the year	(400,000)	-
Balance at 30 June 2012	**29,932,665**	**163,735**
Movements during the year		
Issued on 13 September 2012 for acquisition of subsidiary	3,750,000	28,500
Issued on 5 December 2012 for acquisition of subsidiary	85,979,480	653,444
Issued on 5 December 2012 for services received, 1:1 free attaching options	9,494,333	-
Issued on 11 January 2013 for cash pursuant to placement, 1:1 free attaching options	1,400,000	-
Expired on 31 March 2013	(20,909,165)	-
Issued on 28 June 2013 for additional interest in subsidiary	2,400,000	2,400
Balance at 30 June 2013	**112,047,313**	**848,079**

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Shares issued on exercise of options

There were no options exercised during the year ended 30 June 2013.

Since the end of the financial year, no ordinary shares have been issued as a result of the exercise of options.

During and since the end of the financial year, no options lapsed or were cancelled.

c) Capital Management

Management control the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

19. RESERVES

Nature and purpose of reserves

Share-based payment reserve
The share-based payment reserve records items recognised as expenses on valuation of director share options.

Other reserve
The other reserve records the impact on equity attributable to the owners of Eclipse of transactions with non-controlling interests of subsidiaries where there is no change in control.

	Consolidated	
	2013	**2012**
	$	**$**
Share based payment reserve	27,118	21,039
Other reserve (note 16)	11,831	-
	38,950	**21,039**

Option Reserve Movements

	Number	$
Balance at 1 July 2011(i)	**550,000**	**41,989**
Value of options issued to directors (ii)	-	9,590
Options forfeited (iii)	(400,000)	(30,535)
Balance at 30 June 2012	**150,000**	**21,039**
Value of options issued to directors (ii)	-	6,079
Balance at 30 June 2013	**150,000**	**27,118**

(i) 550,000 unlisted directors' options with an exercise price of $0.20 on or before 30 November 2015 were issued upon successful listing of Eclipse on the Australian Securities Exchange.

(ii) Pro-rata expense of the 150,000 unlisted options exercisable at $0.20 on or before 30 November 2015 held by Mr Emilio Pietro Del Fante.

(iii) 400,000 unlisted directors' options were forfeited on the resignation of Mr Mark Fogarty and Mr Brett Smith as directors.

Other Reserve Movements

	Number	$
Balance at 1 July 2011	**-**	**-**
Balance at 30 June 2012	**-**	**-**
Recognised on acquisition of additional 3.1% of Contour Resources Pty Ltd	-	11,831
Balance at 30 June 2013	**-**	**11,831**

20. LOSS PER SHARE

	Consolidated 2013 $	2012 $
Loss used in the calculation of basic and dilutive loss per share		
Loss for the year	(15,675,845)	(1,682,186)
Loss attributable to non-controlling equity interest	82,062	-
Loss used to calculate basic and dilutive loss per share	(15,593,783)	(1,682,186)
Loss per share		
Basic and diluted loss per share (cents per share)	(7.85)	(1.81)

There were dilutive potential ordinary shares at balance date. However given the Group has made a loss, there is no dilution of earnings hence the diluted loss per share is the same as for basic loss.

Weighted average number of shares

	2013	2012
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive loss per share.	198,728,047	92,841,760

21. COMMITMENTS AND CONTINGENCIES

a) Exploration commitments

Exploration commitments for the Group's granted tenement licences total $636,500 per annum.

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require a review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

b) Contingencies

At 30 June 2013 the Group, in conjunction with the Northern Territory Revenue Office, is in the process of completing a stamp duty assessment on tenements acquired from Cauldron Energy Ltd in February 2011. The Group is uncertain of the amount of stamp duty it may be obligated to pay, if any, upon completion of the assessment.

The Group has no other contingent liabilities at reporting date.

22. CASH FLOW INFORMATION

	Consolidated 2013 $	Consolidated 2012 $
Reconciliation from net loss after tax to the net cash flows from operations		
Net loss	(15,675,845)	(1,682,186)
Non cash flows included in operating loss:		
Share-based payments received	(90,909)	(45,455)
Equity-settled liability gain	(47,472)	-
Depreciation	5,218	41,824
Share-based payments expensed	88,779	137,056
Impairment	15,098,852	-
Changes in assets and liabilities:		
Trade and other receivables	37,854	59,221
Prepayments and other financial assets	(2,583)	-
Trade and other payables	162,094	83,314
Net cash used in operating activities	(424,012)	(1,406,226)
Non-cash financing and investing activities		
Shares and Options issued		
Subsidiaries acquired through the issue of equity	2,454,744	2,800,000
Additional interest in subsidiary acquired through the issue of equity	12,000	-
Corporate advisory services received settled through the issue of equity	82,698	-
Capital raising services received settled through the issue of equity	107,855	233,000
Services provided settled through the issue of equity	90,909	45,455
Conversion of debt to equity	237,358	-
	2,985,564	3,033,000

23. SHARE-BASED PAYMENTS

The values of share-based payment transactions recognised during the year were as follows:

	Consolidated 2013 $	Consolidated 2012 $
Options issued to directors (i)	6,079	9,590
Shares issued to acquire subsidiaries (ii)	1,772,800	2,800,000
Options issued to acquire subsidiaries (iii)	681,944	-
Shares issued for capital raising services received (iv)	107,855	158,000
Shares issued for corporate advisory services received (v)	82,698	-
Shares issued to acquire additional interest in subsidiary (vi)	9,600	-
Options issued to acquire additional interest in subsidiaries (vii)	2,400	-
Options issued for services received (viii)	-	75,000
	2,663,376	3,042,590

(i) Upon the successful listing on the Australian Securities Exchange, the directors of Eclipse were issued options in the Company. The expense recorded during the current and previous year represents the pro-rata expense recorded over the vesting period.

A summary of the movements of options granted to directors is as follows:

	Consolidated Number	Consolidated Weighted average exercise price
Options outstanding at 30 June 2011	550,000	$0.20
Forfeited (a)	(400,000)	$0.20
Options outstanding at 30 June 2012	150,000	$0.20
Options outstanding at 30 June 2013	**150,000**	**$0.20**

(a) Mr Mark Fogarty forfeited 250,000 unlisted 20 cent options expiring on 30 November 2015 upon his resignation.

(b) Mr Brett Smith forfeited 150,000 unlisted 20 cent options expiring on 30 November 2015 upon his resignation.

The weighted average remaining average contractual life of options outstanding at year end was 2.3 years. The fair value of the options granted to directors is deemed to represent the value of the director services received over the vesting period. Included under employee benefits expense in the consolidated statement of profit or loss and other comprehensive income is an expense of $6,079 which relates to equity-settled share-based payment transactions (2012: income of $20,945).

(ii) On 5 December 2012 the Company issued 74,600,000 shares having a value of $1,492,000 for the acquisition of Contour Resources Pty Ltd.

On 13 September 2012 the Company issued 7,200,000 shares having a value of $280,800 for the acquisition of Walla Mines Pty Ltd.

On 4 January 2012 the Company issued 35,000,000 shares having a value of $2,800,000 for the acquisition of Central Energy Pty Ltd.

(iii) On 5 December 2012 the Company issued 85,979,480 options exercisable at $0.06 on or before 30 November 2016 having a total value of $653,444 for the acquisition of Contour Resources Pty Ltd.

On 13 September 2012 the Company issued 3,750,000 options exercisable at $0.06 on or before 30 November 2016 having a total value of $28,500 for the acquisition of Walla Mines Pty Ltd.

(iv) On 19 March 2013 11,353,131 shares having a value of $107,855 were issued for services received by the Group.

On 6 July 2012 1,580,000 shares having a value of $158,000 were issued for services received by the Group.

(v) On 27 June 2013 16,539,600 shares having a value of $82,698.The subscription price for these shares have been set off against monies payable in respect of corporate advisory services received. Komodo Capital Pty Ltd have place the 16,539,600 shares into a 6 month voluntary escrow period to 7 April 2014.

(vi) On 28 June 2013 the Company issued 2,400,000 shares having a value of $9,600 for acquisition of an additional 3.1% interest in Contour Resources Pty Ltd.

(vii) On 28 June 2013 the Company issued 2,400,000 options exercisable at $.06 on or before 30 November 2016 having a total value of $2,400 for the acquisition of an additional 3.1% interest in Contour Resources Pty Ltd.

(viii) On 25 June 2012 5,000,000 options exercisable at $0.06 on or before 31 March 2013 were issued for services received by the Group.

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

24. FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and loans. The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk (consisting of interest rate risk and market price risk).

The Board of directors is responsible for the monitoring and management of the financial risk exposures of the Group.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies at Note 2 are as follows:

	Consolidated	
	2013	2012
	$	$
Financial assets		
Cash and cash equivalents	372,283	851,189
Trade and other receivables	131,207	121,974
Available for sale financial assets	-	550,000
Loans receivable	-	740,000
Other financial assets	600,000	-
Total financial assets	**1,103,490**	**2,263,163**
Financial liabilities		
Trade and other payables (at amortised cost)	476,129	171,283
Total financial liabilities	**476,129**	**171,283**

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

b) Credit risk exposures

Credit risk represents the loss that would be recognised if the counterparties default on their contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables is provided at Note 9. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 9.

Credit risk related to balances with banks and other financial institutions is managed by the Board. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

	Consolidated	
	2013	2012
	$	$
Cash and cash equivalents		
AA- rated	372,283	851,189
	372,283	**851,189**

c) Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and short-term deposits. Since the Group does not have long-term debt obligations, the Group's exposure to this risk is nominal.

Market price risk

Equity price risk arises from the Group's available-for-sale-financial-assets. The Group monitors its investment portfolio based on market indices. Any buy sell decisions are approved by the Board.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

24 FINANCIAL INSTRUMENTS (cont'd)

	Consolidated Profit $	Consolidated Equity $
Year ended 30 June 2013		
+/-1% (100 basis points) in interest rates	+/- 6,117	+/- 6,117
Year ended 30 June 2012		
+/-1% (100 basis points) in interest rates	+/- 8,512	+/- 8,512
+/- 5% (500 basis points) in unlisted investments	+/- 27,500	+/- 27,500

d) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analyses in relation to its operational, investing, and financing activities;
- Obtaining funding from a variety of sources;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets; and
- Only investing surplus cash with major financial institutions.

The table on the following page reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability and financial asset maturity analysis

Consolidated

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
Financial liabilities due for payment								
Trade and other payables	476,129	171,283	-	-	-	-	476,129	171,283
Total expected outflows	**476,129**	**171,283**	**-**	**-**	**-**	**-**	**476,129**	**171,283**
Financial assets – cash flows realisable								
Cash and cash equivalents	372,283	851,189	-	-	-	-	372,283	851,189
Trade and other receivables	131,207	121,974	-	-	-	-	131,207	121,974
Other financial assets	600,000	-	-	-	-	-	600,000	-
Loans receivable	-	740,000	-	-	-	-	-	740,000
Available for sale financial assets	-	550,000	-	-	-	-	-	550,000
Total anticipated inflows	**1,103,490**	**2,263,163**	**-**	**-**	**-**	**-**	**1,103,490**	**2,263,163**
Net inflow/(outflow) on financial instruments	(27,361)	2,091,880	-	-	-	-	(27,361)	2,091,880

d) Net fair value

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments recognised in the financial statements.

Consolidated

	Note	2013 Carrying Amount $	2013 Fair Value $	2012 Carrying Amount $	2012 Fair Value $
Financial assets					
Cash and cash equivalents	(i)	372,283	372,283	851,189	851,189
Trade and other receivables	(i)	131,207	131,207	121,974	121,974
Other financial assets	(ii)	600,000	600,000	-	-
Loans receivable	(ii)	-	-	740,000	740,000
Available for sale financial assets	(iii)	-	-	550,000	550,000
Total financial assets		1,103,490	1,103,490	2,263,163	2,263,163
Financial liabilities					
Trade and other payables	(i)	476,129	476,129	171,283	-
Total financial liabilities		476,129	476,129	171,283	-

24 FINANCIAL INSTRUMENTS (cont'd)

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.
(ii) The loans are receivable within a six to twelve month period after year-end. Accordingly, the loans are not discounted and are recorded at face value.
(iii) In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

Financial instruments measured at fair value

The financial instruments recognised at fair value in the consolidated statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs (Level 3).

Consolidated

	Level 1	Level 2	Level 3	Total
2012	**$**	**$**	**$**	**$**
Available for sale financial assets (unlisted investments at cost)	-	550,000	-	550,000
	-	**550,000**	**-**	**550,000**

In determining the fair values of unlisted investments included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted.

No transfers between the levels of the fair value hierarchy occurred during the current or previous reporting period.

25 RELATED PARTY DISCLOSURE

a) The Group's main related parties are as follows:

Key management personnel

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 26.

Other related parties

Other related parties include entities over which key management personnel have joint control.

b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Komodo Capital Pty Ltd, a company of which Peter Landau is a director and shareholder, underwrote the Group's renounceable entitlements issue announced 6 May 2013. Komodo Capital Pty Ltd was issued the following shares as underwriter:

- 16,539,600 fully paid ordinary shares having a value of $82,698. The subscription price for these shares has been set off against monies payable in respect of corporate advisory services received. Komodo Capital Pty Ltd have placed the 16,539,600 shares into a 6 month voluntary escrow period to 7 April 2014, and

- 120,000,000 fully paid ordinary shares were issued to Komodo Capital Pty Ltd, a company of which Peter Landau is a director and shareholder, for underwriting the Group's renounceable entitlements offer announced on 6 May 2013. Under the underwriting agreement the value of the shares was $600,000.

  On 7 October 2013, Komodo Capital Pty Ltd via a Deed of Settlement has transferred 120,000,000 shares to unrelated parties that will make the shares available to future investors at 0.5 cents per share and direct the proceeds to the Company.

Additional details of director participation in the entitlements issue are included at Note 26.

25 RELATED PARTY DISCLOSURE (cont'd)

On 14 March 2013, the Group signed a memorandum of understanding with Ghan Resources Pty Ltd ("Ghan"), a company of which Carl Popal is a director for the provision of $500,000 to the Group. In accordance with the agreement, Ghan advanced the Group $250,000 in March 2013 and $250,000 in June 2013. The full $500,000 was converted to equity on 27 June 2013. The advanced amounts incurred interest at 30% per annum; total interest incurred and unpaid at 30 June 2013 was $17,874.

On 13 January 2012 the Group entered into a loan agreement with Walla Mines Pty Ltd ("Walla"), a company of which Carl Popal is a director. The terms of the loan are a $90,000 loan for a period of six (6) months at an interest rate of 10% per annum. On 17 September 2012 the Group announced that it had converted the Walla loan balance to 1,890,000 fully paid ordinary shares in Walla and had acquired a further 4,000,000 Walla shares and 2,500,000 Walla options exercisable at $0.06 on or before 30 November 2015. The additional shares and options acquired were in consideration for Walla becoming a subsidiary of the Group.

On 10 April 2012 the Group acquired 5,000,000 unlisted options in Walla exercisable at $0.20 on or before 30 November 2015 as part of a loan fee. On 12 December 2012 the Group transferred the value of these options to the cost of acquisition of Walla as a controlled entity.

On 10 July 2012 the Group announced it had entered into a $700,000 loan agreement with Klondyke Gold Ltd, a company in which the Group has a shareholding. $50,000 of this funding agreement had been utilised prior to 30 June 2012. On 13 December 2012 the Group converted the loan plus outstanding interest totalling $734,216 to shares in Klondyke Gold Ltd. This investment is in addition to the 5,000,000 shares in Klondyke Gold Ltd with a value of $500,000 acquired on 24 November 2011. This shareholding is subject to a twenty-four (24) month escrow from the date of Klondyke Gold Ltd's ASX listing.

On 9 July 2012 the Group acquired 10,000,000 unlisted options in Klondyke Gold Ltd exercisable at $0.20 on or before 30 November 2015 with a value of $100,000 as part of a loan fee.

The total value of the Group's investment in Klondyke of $1,334,216 was impaired during the year ended 30 June 2013.

On 29 June 2012 the Group announced it had entered into a $600,000 loan agreement with Dourado Resources Ltd, a company of which Peter Del Fante is a director. At 30 June 2012, the Group had also agreed to underwrite a Share Purchase Plan of Dourado Resources Ltd. On 13 September 2012 the Group received 12,929,389 shares at $0.04192 per share for the take up of its entitlement of shares as the underwriter of the Share Purchase Plan, resulting in the Group having a total investment in Dourado Resources Ltd of $542,000.

At 30 June 2013, the Group's investment in Dourado was valued at nil with $542,000 recognised as an impairment expense during the year.

The Group also recognised $2,307 of impairment expense during the year in respect of loans receivable from Dourado written off.

Expenses incurred – other related parties

			Consolidated	
			2013 $	2012 $
Director	**Entity**	**Service**		
Emilio Pietro Del Fante	Corporate Tenement Services & Sorna Pty Ltd	Director services	29,330	48,000
Graeme Allan	Brallgra Pty Ltd	Director services	13,200	32,000
Shane Casley	Amacat Pty Ltd	Director services	19,400	-
Brett Smith	Topaz Corporate Pty Ltd	Director services	-	18,000
Paul Kelly	PAKF Enterprises Pty Ltd	Director services	-	18,000
David Sanders	Bennett and Co Corporate and Commercial Law	Legal services	90,494	71,399
Emilio Pietro Del Fante	Dourado Resources Ltd	Administrative services	7,272	1,625

Notes to the financial statements (cont'd)
For the year ended 30 June 2013

26 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	Consolidated 2013 $	2012 $
Short-term employee benefits	55,421	307,333
Post-employment benefits	-	14,100
Share-based payments	14,879	9,590
	70,300	**331,023**

(b) Equity instrument disclosures relating to key management personnel

(ii) Shareholdings

2013

Name	Balance at start of the year	Balance at appointment/ (resignation) date	Entitlements issue take up	Other changes(i)	Balance at end of the year
Peter Landau	-	170,000	136,879,600	-	137,049,600
Carl Popal	-	10,405,425	100,000,000	11,353,131	121,758,556
David Sanders	-	-	2,800,000	-	2,800,000
Jane Flegg	-	-	-	-	-
Graeme Allan	-	-	-	-	-
Emilio Dietro Del Fante	-	-	-	-	-
Shane Casley	-	-	-	-	-
Daryl Smith	-	-	-	-	-
	-	**10,575,425**	**239,679,600**	**11,353,131**	**261,608,156**

(i) Shares received as consideration for the provision of a funding facility.

2012

Name	Balance at start of the year	Balance at appointment/ (resignation) date	Other changes	Balance at end of the year
Graeme Allan	-	-	-	-
Emilio Dietro Del Fante	-	-	-	-
David Sanders	-	-	-	-
Mark Fogarty	20,000	(20,000)	-	-
Brett Smith	-	-	-	-
Paul Kelly	10,000	(10,000)	-	-
	30,000	**(30,000)**	**-**	**-**

(ii) Optionholdings

2013

Name	Balance at start of the year	Balance at appointment/ (resignation) date	Other changes	Balance at end of the year
Peter Landau	-	-	-	-
Carl Popal	-	-	-	-
David Sanders	-	-	-	-
Jane Flegg	-	-	-	-
Graeme Allan	-	-	-	-
Emilio Dietro Del Fante	150,000*	(150,000)	-	-
Shane Casley	-	-	-	-
Daryl Smith	-	-	-	-
	150,000	**(150,000)**	**-**	**-**

*Vested 17 February 2013, exercisable from that date

26 KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

2012

Name	Balance at start of the year	Other changes during the year	Forfeited	Balance at appointment/ (resignation) date	Balance at end of the year
Graeme Allan	-	-	-	-	-
Emilio Dietro Del Fante	150,000*	-	-	-	150,000*
David Sanders	-	-	-	-	-
Mark Fogarty	250,000	10,000	(250,000)	(10,000)	-
Brett Smith	150,000	-	(150,000)	-	-
Paul Kelly	-	5,000	-	(5,000)	-
	550,000	15,000	(400,000)	(15,000)	150,000

*Vested 17 February 2013, exercisable from that date

(iii) Other key management personnel transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

For details of other transactions with key management personnel, refer to Note 25.

27 PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the accounting policies listed in Note 2.

	Company 2013 $	Company 2012 $
Statement of financial position		
Assets		
Current assets	1,697,710	2,045,731
Non-current assets	3,180,317	14,282,739
Total assets	**4,878,027**	**16,328,470**
Liabilities		
Current liabilities	431,876	164,509
Non-current liabilities	-	-
Total liabilities	**431,876**	**164,509**
Net assets	**4,446,151**	**16,163,961**
Equity		
Issued capital	22,764,510	18,711,654
Accumulated losses	(18,345,478)	(2,568,732)
Reserves	27,119	21,039
Total equity	**4,446,151**	**16,163,961**
Statement of profit or loss and other comprehensive income		
Total loss for the year	(15,776,746)	(1,671,820)
Other comprehensive income	-	-
Total comprehensive loss	**(15,776,746)**	**(1,671,820)**

Guarantees
Eclipse has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities
There are no contingent liabilities of the parent entity at the reporting date.

Contractual commitments
All contractual commitments of the parent entity are included within Note 21.

28 SUBSEQUENT EVENTS

On 7 October 2013, Mr Rodney Dale was appointed director following the resignation of Mr Peter Landau and Mr Keith Bowker was appointed as company secretary following the resignation of Ms Jane Flegg.

No matter or circumstances have arisen since the end of the reporting date and the date of this report which significantly affects or may significantly affect the results of the operations of the Group.

Directors' declaration
For the year ended 30 June 2013

The directors declare that the financial statements and notes and the disclosures in the remuneration report which are included in the director's report:

1. (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
   (b) give a true and fair view of the Group's financial position as at 30 June 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
   (c) comply with International Financial Reporting Standards as disclosed in Note 2(a).

2. In accordance with S295A the Chief Financial Officer has declared that:
   (a) the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion:
   (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
   (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

   This declaration is made in accordance with a resolution of the directors.

Dated this 7 day of October 2013.

Carl Popal
Director
Perth, Western Australia

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ECLIPSE METALS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Eclipse Metals Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RSM Bird Cameron Partners

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Eclipse Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Eclipse Metals Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a).

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(c) in the financial report, which indicates that the company and consolidated entity incurred losses of $15,776,746 and $15,675,845 respectively for the year ended 30 June 2013. The consolidated entity also had net cash outflows from operating activities of $424,012 for the year ended 30 June 2013. These conditions, along with other matters as set forth in Note 2(c), indicate the existence of a material uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Eclipse Metals Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 7 October 2013

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Eclipse Metals Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 7 October 2013

Corporate governance statement

The Board of directors is responsible for the overall strategy, governance and performance of Eclipse Metals Limited and its subsidiaries ("the Group"). The Group is exploring for mineral resources; its strategy is to add substantial shareholder value through the acquisition, exploration, development and commercialisation of exploration projects in Queensland and the Northern Territory. The Board has adopted a corporate governance framework which it considers to be suitable given the size, history and strategy of the Group.

Principles of Best Practice Recommendations

In accordance with ASX Listing Rule 4.10, Eclipse Metals Limited is required to disclose the extent to which it has followed the Principles of Best Practice Recommendations during the financial year. Where Eclipse Metals Limited has not followed a recommendation, this has been identified and an explanation for the departure has been given. Further details can be found on the Group's website (www.eclipsemetals.com.au).

	BEST PRACTICE RECOMMENDATION	COMMENT
1.	***Lay solid foundations for management and oversight***	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Satisfied. Refer the Corporate Governance section on the Group website.
1.2	Companies should disclose the process for evaluation the performance of senior executives.	Not satisfied. The Group has not yet established formal performance review measures for key executives given the size and stage of the Company's operations.
1.3	Provide the information indicated in *Guide to Reporting on Principle 1.*	Satisfied. Refer to director's report and the Corporate Governance section on the Group website.
2.	***Structure the board to add value***	
2.1	A majority of the board should be independent directors.	Satisfied. The Board consists of 3 members, 1 executive (Mr Popal) and 2 non-executive (Mr Sanders and Mr Dale).
2.2	The chairperson should be an independent director.	Satisfied. The chairman of the Board is independent Non-executive Mr Sanders.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Satisfied. The roles of the Chairman and the Chief Executive Officer are exercised by Mr Sanders and Mr Popal respectively.
2.4	The board should establish a nomination committee.	Not satisfied. The Board considers that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has resolved not to establish a nomination committee at this stage.
2.5	Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.	Not satisfied. The Group has not yet established formal performance review measures for key executives nor has it established a nomination committee given the size and stage of the Group's operations. The full Board will review the performance of key executives.
2.6	Provide the information indicated in *Guide to Reporting on Principle 2.*	Satisfied. Refer to director's report and the Corporate Governance section on the Group website. In addition, The Board, Board Committees or individual directors may seek independent external professional advice as considered necessary at the expense of the Group, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

3.	***Promote ethical and responsible decision-making***	
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: (a) the practices necessary to maintain confidence in the group's integrity; and (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Satisfied. Refer the Corporate Governance section on the Group website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Not Satisfied. The Group recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Group's success is the quality, diversity and skills of its people. Under the Group's Code of Conduct, employees must not harass, discriminate or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender. Such harassment or discrimination may constitute an offence under legislation. Due to the current nature and scale of the Group's operations, the Group has not yet established a Diversity Policy. However, as the Group develops the Board will consider adopting such a policy.
3.3	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	Not Satisfied. Given the size of the Group, the Group has not yet set measurable objectives for achieving gender diversity. In addition, the Board will review progress against any objectives identified on an annual basis.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Satisfied. There is currently no women in a senior executive position within the Group.
3.5	Provide the information indicated in *Guide to Reporting on Principle 3.*	Satisfied. Refer the Corporate Governance section on the Group website.
4.	***Safeguard integrity in financial reporting***	
4.1	The board should establish an audit committee.	Not Satisfied. The directors believe that it would not increase efficiency or effectiveness to have a separate audit committee, and that audit matters are of such significance that they should be considered by the full Board. The Board may call on outside consultants if it requires assistance in this area.
4.2	Structure the audit committee so that it consists of: (a) only non-executive directors; (b) a majority of independent directors; (c) an independent chairperson, who is not chairperson of the board; and (d) at least three members.	Not satisfied. Refer 4.1.

CORPORATE GOVERNANCE STATEMENT (cont'd)

4.3	The audit committee should have a formal charter.	Not satisfied. Refer 4.1.
4.4	Provide the information indicated in *Guide to Reporting on Principle 4.*	Satisfied. Refer to director's report.
5.	***Make timely and balanced disclosure***	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. Continuous disclosure policy is available in the Corporate Governance section on the Group website.
5.2	Provide the information indicated in *Guide to Reporting on Principle 5.*	Satisfied. Refer 5.1
6.	***Respect the rights of shareholders***	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	Satisfied. Communications with shareholders policy is available in the Corporate Governance section on the Group website.
6.2	Provide the information indicated in *Guide to Reporting on Principle 6.*	Satisfied. Refer to the Group website.
7.	***Recognise and manage risk***	
7.1	The Group should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Satisfied. Risk management policy is available in the Corporate Governance section on the Group website.
7.2	The Board should design and implement the risk management and internal control system to manage the group's material business risks and report on whether those risks are being managed effectively. The Board should disclose that management has reported the effectiveness of the Group's management of its material business risks.	Satisfied. Refer 7.1 & 7.3
7.3	The board should disclose whether it has received assurances from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Due to the size and scale of its operations, and the growth of the Group over the financial year the Board as a whole reviews these matters.
7.4	Provide the information indicated in *Guide to Reporting on Principle 7.*	Satisfied. Refer 7.1 Not currently applicable. Refer 7.3
8.	***Remunerate fairly and responsibly***	
8.1	The board should establish a remuneration committee.	Not satisfied. The Board considered this recommendation and formed the view that it would not increase efficiency or effectiveness to have a separate committee, and that remuneration matters are of such significance that they should be considered by the full Board. The Board may call on outside consultants if it requires assistance in this area**.**
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Details of executive and non-executive remuneration are outlined in the Directors' report.
8.3	Provide the information indicated in *Guide to Reporting on Principle 8.*	Satisfied. The Group has incorporated all information as required.

Additional securities exchange information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report.

Ordinary Share Capital

531,106,824 issued ordinary shares held by 566 shareholders carry one vote per share.

Options

a. 8,873,500 listed options on issue, exercisable at $0.20 on or before 31 May 2014.
b. 150,000 unlisted options on issue, exercisable at $0.20 on or before 30 November 2015.
c. 103,023,813 unlisted options on issue, exercisable at $0.06 on or before 30 November 2016.

Options have no voting entitlements.

Distribution of shareholders (as at 20 September 2013)

(a) Analysis of numbers of shareholders by size of holding:

Range of Units	Total number of Shareholders	Total number of Ordinary shares
1 - 1,000	43	2,895
1,001 - 5,000	5	18,180
5,001 - 10,000	127	1,255,470
10,001 - 100,000	171	9,564,692
100,001 - 9,999,999,999	220	520,265,587
	566	**531,106,824**

(b) There were 336 holders holding less than a marketable parcel of ordinary shares (9,841,238).

Distribution of optionholders (as at 20 September 2013)

(a) Analysis of numbers of listed optionholders by size of holding:

Range of Units	Total number of Optionholders	Total number of Optionholders
1 - 1,000	64	315,710
1,001 - 5,000	7	60,265
5,001 - 10,000	49	1,619,524
10,001 - 100,000	20	6,878,001
100,001 - 9,999,999,999	-	-
	140	**8,873,500**

(b) There were 117 holders holding less than a marketable parcel of listed options (1,695,499).

Substantial Shareholders as at 20 September 2013

	No. of Shares Held	% Held
KOMODO CAPITAL PTY LTD	136,959,600	25.79%
GHAN RESOURCES PTY LTD	114,053,131	21.47%

Additional securities exchange information (cont'd)

Twenty largest shareholders as at 20 September 2013

		No. of ordinary shares held	% Held
1	KOMODO CAP PL	136,959,600	25.79
2	GHAN RES PL	114,053,131	21.47
3	CALUDRON ENERGY LTD	26,000,000	4.90
4	PACIFIC CORP SVCS AUST PL	20,000,000	3.77
5	S & CJ PL <FALCON GOLD S/F A/C>	11,250,000	2.12
6	MA CAROLINE	8,000,000	1.51
7	POPAL ENTERPRISE PL	7,705,425	1.45
8	KASHER DIAMONDS CORP PL	7,577,332	1.43
9	TOTAKHIL HABIBULLAH S	6,464,343	1.22
10	WEBIMBLE PL	6,000,000	1.13
11	NOVA LEGAL PL	6,000,000	1.13
12	PERDIGNUS PL <HARDIE S/F A/C>	5,205,752	0.98
13	OKEWOOD PL	5,000,000	0.94
14	PACIFIC CORP SVCS AUST PL	4,646,083	0.87
15	HOCHIAN INV PL <HOCHIAN INV A/C>	4,500,000	0.85
16	EAST HLDGS PL <EAST A/C>	4,500,000	0.85
17	JEMAMEBE PL <JASMINE A/C>	4,094,177	0.77
18	GREYWOOD HLDGS PL	4,000,000	0.75
19	VO THANH PHONG	4,000,000	0.75
20	ANDISHA NASIR AHMAD	4,000,000	0.75
		393,077,809	**73.43**

Top 20 Option Holders ($0.20, 31 May 2014) as at 20 September 2013

		No. of Options held	% Held
1	TWOFIVETWO PL	1,175,000	13.24
2	LAKE SPRINGS PL <LAKE SPRINGS S/F A/C>	1,000,000	11.27
3	MCNEIL NOM PL	500,000	5.63
4	MOLYNEUX SALLY JUDITH	500,000	5.63
5	RICHSHAM NOM PL	500,000	5.63
6	OLDFIELD CHRISTOPHER B	400,000	4.51
7	MOUNT STREET INV PL <M J BLAKE S/F A/C>	300,000	3.38
8	GARDINER TERRY J + V H <TERRY JAMES GARDINER>	268,751	3.03
9	MENEGHELLO DANNY	250,000	2.82
10	SUBIACO ASSET MGNT PL <GLOBAL SPECULATIVE>	230,000	2.59
11	GANBARU PL <PARRISH S/F A/C>	225,000	2.54
12	BARCLAY WELLS LTD	204,250	2.30
13	RAMAGE ANTHONY ROBERT	200,000	2.25
14	GILTEJ SALES PL <MOULDS S/F A/C>	200,000	2.25
15	PLATO HLDGS PL <RM A/C>	200,000	2.25
16	WHITEY TIGER PL <WTL A/C>	200,000	2.25
17	MATTHEW PARRISH PL <PARRISH FAM A/C>	150,000	1.69
18	GOLDSHORE INV PL	125,000	1.41
19	JOYCE VICTOR L + ABRA S J <VICTOR L JOYCE S/F>	125,000	1.41
20	KATSU CAP PL <CHIKARA A/C>	125,000	1.41
		6,878,001	**77.49**

Schedule of mineral tenements

Eclipse Metals Limited Schedule of Mineral Tenements As at 20 September 2013			
Tenement	**Project Name**	**Status**	**Ownership Interest**
EL 27567	Mt Wells	Granted	100%
EL 24808	Eclipse	Granted	100%
EL 25201	Mt Tymns	Granted	100%
EL 27853	Litchfield North	Granted	100%
EL 26257	West Batchelor	Granted	100%
EPM 17321	Yellow Jack	Granted	55.61%
EPM 17685	Mary Valley	Granted	55.61%
EPM 17672	Mary Valley	Granted	55.61%
EPM 17938	Mary Valley	Granted	55.61%
EL 27117	West McArthur	Granted	55.61%
EPM 18596	Moonford	Granted	55.61%
EL 7986	Moss Vale	Granted	55.61%
EL 17810	Bundaberg	Granted	55.61%
ELA 24623	Eclipse	Application	100%
ELA 24624	Eclipse	Application	100%
ELA 24627	Eclipse	Application	100%
ELA 24861	Lake Mackay	Application	100%
ELA 24862	Canning Basin	Application	100%
ELA 25666	Mt Poizieres	Application	100%
ELA 25998	Tanami	Application	100%
ELA 25999	Tanami	Application	100%
ELA 26000	Tanami	Application	100%
ELA 26001	Tanami	Application	100%
ELA 26002	Tanami	Application	100%
ELA 26003	Tanami	Application	100%
ELA 26004	Tanami	Application	100%
ELA 26193	Liverpool 1	Application	100%
ELA 26244	Liverpool 2	Application	100%
ELA 26259	South Alligator	Application	100%
ELA 26260	South Alligator	Application	100%
ELA 26283	Mt Theo	Application	100%
ELA 26284	Mt Patricia	Application	100%
ELA 26487	Yuendi	Application	100%
ELA 26488	Atlee	Application	100%
ELA 26489	Mackay	Application	100%
ELA 26490	Yoolgarri	Application	100%
ELA 26491	Chilla Well	Application	100%
ELA 26492	Wild Cat Bore	Application	100%
ELA 26493	Puyurru	Application	100%
ELA 27130	Flying Fox	Application	100%
ELA 27549	Liverpool 3	Application	100%
ELA 27584	Devil’s Elbow	Application	100%
EL 27703	Gumadeer	Application	100%