

# **Eclipse Metals Limited**

**ACN 142 366 541**

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM**

**Date of Annual General Meeting: Friday, 29 November 2013**  
**Time of Annual General Meeting: 10.00am (WST)**  
**Place of Annual General Meeting: Bennett + Co, Ground Floor, BGC Centre,  
28 The Esplanade, Perth, Western Australia**

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2013 Annual General Meeting of the Shareholders of Eclipse Metals Limited (**Company**) will be held at Bennett + Co, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Friday, 29 November 2013 at 10.00am (WST).

An Explanatory Memorandum containing information in relation to each of the following matters to be considered at the meeting accompanies and forms part of this Notice.

### AGENDA

#### FINANCIAL, DIRECTORS' AND AUDITOR'S REPORT

To receive and consider the Financial Report, Directors' Report and Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2013.

#### RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2013 be adopted."*

The Company will disregard any votes cast on this Resolution by Key Management Personnel or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

#### RESOLUTION 2 – ELECTION OF DIRECTOR – CARL POPAL

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That Mr Carl Popal, who was appointed as a Director of the Company on 19 March 2013 to fill a casual vacancy, be elected as a Director of the Company."*

#### RESOLUTION 3 – ELECTION OF DIRECTOR –RODNEY DALE

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That Mr Rodney Dale, who was appointed as a Director of the Company on 7 October 2013 to fill a casual vacancy, be elected as a Director of the Company."*

#### RESOLUTION 4 – ELECTION OF DIRECTOR – DAVID SANDERS

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That Mr David Sanders, who was appointed as a Director of the Company on 19 March 2013 to fill a casual vacancy, be elected as a Director of the Company."*

## **RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES TO GHAN RESOURCES PTY LTD**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4, Shareholders ratify the issue by the Company of 11,353,131 fully paid ordinary shares in the Company to Ghan Resources Pty Ltd in consideration of agreeing to provide a funding facility and assist in procuring an underwriter for a rights issue on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

## **RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES TO SHAREHOLDERS OF CONTOUR RESOURCES PTY LIMITED**

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.4, Shareholders ratify the issue by the Company of 2,400,000 fully paid ordinary shares in the Company in consideration of the acquisition by the Company of shares in Contour Resources Pty Ltd on the terms and conditions set out in the Explanatory Statement.”*

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 7 - RATIFICATION OF ISSUE OF OPTIONS TO OPTIONHOLDERS OF CONTOUR RESOURCES PTY LIMITED**

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.4, Shareholders ratify the issue by the Company of 2,400,000 Options in the Company in consideration of the acquisition by the Company of options in Contour Resources Pty Ltd on the terms and conditions set out in the Explanatory Statement.”*

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## RESOLUTION 8 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A, approval be given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of shares if this Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## RESOLUTION 9– APPROVAL OF ISSUE OF SHARES TO CARL POPAL IN LIEU OF SALARY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 10.11 approval be given for the issue of 18,000,000 fully paid ordinary shares in the Company to Mr Carl Popal or his nominee in lieu of payment of salary, on the terms and conditions set out in the Explanatory Statement.”*

The Company will disregard any votes cast on this Resolution by Mr Popal and any associate of Mr Popal.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## RESOLUTION 10 – APPROVAL OF ISSUE OF SHARES TO RODNEY DALE IN LIEU OF DIRECTOR’S FEES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 10.11 approval be given for the issue of 1,500,000 fully paid ordinary shares in the Company to Mr Rodney Dale or his nominee in lieu of payment of director’s fees, on the terms and conditions set out in the Explanatory Statement.”*

The Company will disregard any votes cast on this Resolution by Mr Dale and any associate of Mr Dale.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 11 – APPROVAL OF ISSUE OF SHARES TO DAVID SANDERS IN LIEU OF DIRECTOR'S FEES**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 10.11 approval be given for the issue of 3,000,000 fully paid ordinary shares in the Company to Mr David Sanders or his nominee in lieu of payment of director’s fees, on the terms and conditions set out in the Explanatory Statement.”*

The Company will disregard any votes cast on this Resolution by Mr Sanders and any associate of Mr Sanders.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 12 – APPROVAL OF ISSUE OF SHARES TO LAWFIRST PTY LTD**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 10.11 approval be given for the issue of fully paid ordinary shares in the Company to Lawfirst Pty Ltd or its nominee in payment of legal fees, on the terms and conditions set out in the Explanatory Statement.”*

The Company will disregard any votes cast on this Resolution by Lawfirst Pty Ltd and any associate of Lawfirst Pty Ltd.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 13 – APPOINTMENT OF AUDITOR**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That pursuant to section 327B(1)(b) of the Corporations Act Stantons International Audit and Consulting Pty Ltd trading as Stantons International be appointed as auditor of the Company.”*

## **QUESTIONS AND COMMENTS**

The Chairman will allow a reasonable opportunity for shareholders at the meeting to ask questions about or make comments on the management of the Company.

## **VOTING ENTITLEMENT**

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have set a date to determine the identity of those entitled to attend and vote at the AGM. For the purposes of determining voting entitlements at the AGM, Shares will be taken to be held by the persons who are registered as holding them as at 10.00am (WST) on Wednesday, 27 November 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

## BY ORDER OF THE BOARD



Keith Bowker  
Company Secretary

## PROXY INSTRUCTIONS

Members are advised that:

- each member has a right to appoint a proxy to attend and vote for them;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint either 1 or 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is for 2 proxies and does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes.

The member may specify the manner in which the proxy is to vote on each resolution or may allow the proxy to vote at his or her discretion.

In accordance with section 250BA of the *Corporations Act*, the Company specifies that the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be:

- posted to the Company at PO Box 964 WEST PERTH WA 6872; or
- sent to the registered office by facsimile on (08) 9481 0655 (within Australia) or +61 8 9481 0655 (outside Australia); or
- delivered to the registered office of the Company at Suite 1, 56 Kings Park Road, WEST PERTH WA 6005.

Those documents must be received by the Company at least 48 hours before the time for holding the Annual General Meeting, or adjourned Annual General Meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a body corporate, in a manner permitted by the *Corporations Act*. In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form (together with instructions for completion) is enclosed with this Notice.

## DEFINITIONS

For assistance in considering the Notice and accompanying Explanatory Memorandum, the following words are defined here:

**AGM** or **Annual General Meeting** means the annual general meeting of the Company.

**ASX** means ASX Limited (ACN 008 624 691).

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors of the Company.

**Chairman** means the chairman of the Annual General Meeting.

**Company** means Eclipse Metals Limited (ACN 142 366 541).

**Constitution** means the constitution of the Company.

**Contour** means Contour Resources Pty Ltd (ACN 146 504 207).

**Contour Option** means an option to subscribe for a Contour Share exercisable at 20 cents on or before 30 November 2015.

**Contour Share** means a fully paid ordinary share in the capital of Contour.

**Corporations Act** means the *Corporations Act 2001* (Commonwealth).

**Corporations Regulations** means the *Corporations Regulations 2011* (Commonwealth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum enclosed with, and comprising part of, this Notice.

**Financial Report** means the 2013 annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** means those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise), as defined in the Corporations Act.

**Listed Options** means options to subscribe for Shares exercisable at 20 cents on or before 31 May 2014.

**Listing Rules** means the ASX Listing Rules.

**Notice** means this notice of annual general meeting.

**Option** means an Option to acquire a share on the terms and conditions set out in Annexure A.

**Proxy Form** means the proxy form enclosed with the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolutions** means the resolutions proposed in the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Walla** means Walla Mines Limited (ACN 146 239 858).

**VWAP** means the volume weighted average price.

**WST** means Australian Western Standard Time.

**ECLIPSE METALS LIMITED**

**ABN 84 131 090 947**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with information to assess the merits of the resolutions contained in the accompanying Notice.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice.

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**Financial, Directors' and Auditors Report**

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ending 30 June 2013 will be laid before the AGM.

Whilst there is no requirement for the Shareholders to approve these reports, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the AGM, written questions to the Company's auditors about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the AGM date to the Company at PO Box 964, West Perth WA 6872 AUSTRALIA or sent by facsimile to the registered office on (08) 9481 0655 (within Australia) or +61 8 9481 0655 (outside Australia).

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**Resolution 1: Adoption of Remuneration Report**

The Company is required to include in its Directors' Report a detailed Remuneration Report relating to Directors' and executives' remuneration. Section 300A of the Corporations Act sets out the information required to be included in the Remuneration Report. A copy of the Remuneration Report is included in the Company's Annual Report.

Sections 249L(2) and 250(2) of the Corporations Act require that a resolution that the Remuneration Report be adopted be put to a vote of Shareholders at the Company's AGM. The vote on this resolution is advisory only and does not bind the Board.

Under section 250SA of the Corporations Act, Shareholders must be given a reasonable opportunity to ask questions about, or make comment on, the Remuneration Report.



The resolution is the subject of a voting exclusion statement precluding Key Management Personnel and their Closely Related Parties from voting on the resolution, except as proxies for Shareholders entitled to vote. Any undirected proxies in favour of the Chairman concerning this resolution will be voted in favour of the resolution.

Shareholders also have the opportunity to replace a company's board of directors if the resolution to approve the company's Remuneration Report receives "no" votes of 25% or more at two successive AGMs of the Company.

A summary of the process as it applies to the Company is as follows:

- (a) If a "no" vote of 25% or more is cast on Resolution 1 to adopt the Remuneration Report, the Remuneration Report in 2014 must outline the Board's proposed action in response to the "no" vote (or state the reasons for any inaction);
- (b) If a "no" vote of 25% or more is cast on the resolution to adopt the Remuneration Report at the 2014 AGM, the Shareholders must then vote on a resolution that a general meeting be convened to consider the election of directors;
- (c) If the resolution is carried by ordinary majority (more than 50% of those present and voting), then the general meeting must be held within 90 days. All directors who were Directors when the Directors resolved to make the Directors' Report considered at this year's AGM (other than a Managing Director who is permitted to hold office indefinitely without being re-elected under the Listing Rules) cease to hold office immediately before the end of the general meeting and may offer themselves for re-election;
- (d) The Corporations Act contains provisions to ensure that there are at least three directors following such a general meeting. These three positions will be occupied by:
  - (i) the Managing Director; and
  - (ii) the two (or three) people who receive the highest proportion of votes in favour of their appointment at the meeting (even if less than 50% of the votes cast on their election are in favour of their re-appointment).

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## **Resolutions 2-4: Election of Directors**

Under the Company's Constitution, any Director appointed to fill a casual vacancy (other than a Managing Director) holds office only until the conclusion of the next AGM and is eligible for election at that meeting.

### **Resolution 2 – Mr Carl Popal**

Mr Carl Popal was appointed as a Director of the Company on 19 March 2013. Mr Popal is therefore offering himself for election at the AGM.

Mr Popal is Chief Executive Director of Paynes Find Gold Ltd and the Managing Director of Ghan Resources Pty Ltd and Popal Enterprise Pty Ltd. He holds a bachelor degree in Business. Since 2001, Mr Popal has managed several entities conducting international trading. He has 12 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.

### **Resolution 3 – Mr Rodney Dale**

Mr Rodney Dale was appointed a Director of the Company on 7 October 2013. Mr Dale is therefore offering himself for election at the AGM.

Mr Dale has over 50 years of experience 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, he has been an independent geological consultant with two periods as a director of ASX listed companies. More recently, he has been involved with assessment of iron ore projects in Australia, South America, India, China and Africa. Mr Dale holds a Fellowship Diploma in Geology.

#### **Resolution 4 – Mr David Sanders**

Mr David Sanders was appointed as a Director of the Company on 19 March 2013. Mr Sanders is therefore offering himself for election at the AGM.

Mr Sanders has extensive experience in corporate law and is a Principal at Bennett + Co, a specialist corporate and commercial law firm based in Perth, Western Australia. He holds bachelor degrees in law and commerce from the University of Western Australia and a Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia. Mr Sanders has advised numerous ASX listed companies and private companies on capital raising, mergers and acquisitions, Corporations Act and ASX Listing Rules compliance and corporate governance. He is also a Non-Executive Director of Marenica Energy Ltd and Quickflix Ltd.

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#### **Resolution 5 – Ratification of Issue of Shares to Ghan Resources Pty Ltd**

As announced to ASX on 18 March 2013 the Company issued 11,353,131 Shares to Ghan Resources Pty Ltd in consideration of Ghan Resources Pty Ltd agreeing to provide funding support to the Company via a loan facility of up to \$500,000 and assistance procuring underwriting up to an amount no less than the loan facility for a rights issue.

#### **Reason for approval**

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This issue of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

#### **Information required by the Listing Rules**

In compliance with the information requirements of Listing Rule 7.5 that relate to the seeking of approval, Shareholders are advised of the following particulars in relation to the issue of Shares the subject of Resolution 5:

(a) *Number of securities issued:*

11,353,131 Shares

(b) *The price at which the securities were issued:*

\$0.0095

(c) *The terms of the securities:*

The Shares rank equally in all respects with the existing Shares on issue.

(d) *The name of the allottee:*

The Shares were issued to Ghan Resources Pty Ltd.

(e) *Use of funds raised:*

No funds were raised from this issue of Shares.

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## **Resolution 6 and 7 Ratification of issue of securities to security holders of Contour Resources Pty Ltd**

Following approval at the 2012 AGM the Company acquired 96.38% of all Contour Shares and 96.38% of all Contour Options pursuant to offers made prior to the 2012 AGM. In June 2013, after the time period of the approval received at the 2012 AGM had expired, EPM acquired further Contour Shares and Contour Options on the same terms to further increase its majority holding in Contour by a further 3.1%.

Resolution 6 seeks Shareholder ratification for the issue by the Company of 2,400,000 Shares in consideration of the acquisition of 1,333,332 Contour Shares.

Resolution 7 seeks Shareholder ratification for the issue by the Company of 2,400,000 Options in consideration of the acquisition of 26,866 Contour Options.

### **Reason for approval**

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This issue of Shares and Options was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

### **Information required by the Listing Rules**

In compliance with the information requirements of Listing Rule 7.5 that relate to the seeking of approval, Shareholders are advised of the following particulars in relation to the issue of Shares the subject of Resolution 6:

(a) *Number of securities issued:*

2,400,000 Shares.

(b) *The price at which the securities were issued:*

\$0.004, in consideration for the acquisition of 1,333,332 Contour Shares.

(c) *The terms of the securities:*

The Shares rank equally in all respects with the prior Shares on issue.

(d) *The names of the allottees:*

Konstan Administration Pty Ltd                      1,600,000

Simon Konstantinidis 800,000

(e) *Use of funds raised:*

No funds were raised from the issue of Shares.

In compliance with the information requirements of Listing Rule 7.5 that relate to the seeking of approval, Shareholders are advised of the following particulars in relation to the issue of Options the subject of Resolution 7:

(a) *Number of securities issued:*

2,400,000 Options.

(b) *The price at which the securities were issued:*

\$0.001, in consideration of the acquisition of 26,866 Contour Options.

(c) *The terms of the securities:*

The Options were issued on the terms set out in Annexure A.

(d) *The names of the allottees:*

Konstan Administration Pty Ltd 1,600,000

Simon Konstantinidis 800,000

(e) *Use of funds raised:*

No funds were raised from the issue of Shares.

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## **Resolution 8 – Approval of 10% Placement Facility**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company intends to use any funds raised under the 10% Placement Facility towards working capital, expenditure on its tenement portfolio and acquisition and exploration of additional complementary assets.

### **Description of Listing Rule 7.1A**

(a) *Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) *Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice the Company has two classes of quoted Equity Securities being Shares and Listed Options.

(c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),  
or such longer period if allowed by ASX (10% Placement Period).

### **Listing Rule 7.1A**

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised).

There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of ordinary shares and the current number of ordinary shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.003 50% decrease in Issue Price	\$0.005 Issue Price	\$0.008 50% increase in Issue Price
<b>Current Variable A</b> 531,106,824 (total number of shares on issue) Shares	<b>10% Voting Dilution</b>	53,110,682 Shares	53,110,682 Shares	53,110,682 Shares
	<b>Funds Raised</b>	\$159,332	\$265,553	\$424,885
<b>50% increase in current Variable A</b> 796,660,236 Shares	<b>10% Voting Dilution</b>	79,666,023 Shares	79,666,023 Shares	79,666,023 Shares
	<b>Funds Raised</b>	\$238,998	\$398,330	\$637,328
<b>100% increase in current Variable A</b> 1,062,213,648 Shares	<b>10% Voting Dilution</b>	106,221,364 Shares	106,221,364 Shares	106,221,364 Shares
	<b>Funds Raised</b>	\$318,664	\$531,106	\$849,770

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - No Options are exercised into Shares before the date of the issue of the Equity Securities.
  - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - The issue price is \$0.005, being the closing price of the Shares on ASX on 21 October 2013.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration on the Company's existing assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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#### **Resolutions 9 to 11 – Approval of Issue of Shares to Directors in Lieu of Salary and Director Fees**

As set out in the Company's 2013 Annual Report, the Company deferred any decision in relation to the payment of salaries or fees to directors until completion of both the Rights Issue and the period for placement of the Rights Issue shortfall.

Now that these matters have been completed the Board has resolved:

- (a) to pay \$90,000 to Mr Carl Popal for his services as an Executive Director for the period since his appointment until 30 November 2013 with his salary to be reviewed at the end of that period; and
- (b) that the Non-Executive Directors of the Company be paid an annual Directors' fee of \$30,000 per annum (compared to \$48,000 per annum for the previous Non-Executive Directors).

In recognition of the fact that the Company wishes to utilise as much as possible of its current and future cash resources in the short term to meet working capital requirements and costs associated with its tenement portfolio, each of the Directors have agreed (subject to obtaining Shareholder approval) to accept Shares in lieu of some or all of their remuneration.

#### **Reason for Approval**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of Shares to Directors involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The Company is not seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act as the proposed share issues are in lieu of remuneration and that remuneration is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.



## Information required by the Listing Rules

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares the subject of Resolution 9:

(a) *Name of related party:*

Mr Carl Popal.

(b) *The maximum number of securities to be issued:*

18,000,000 Shares.

(c) *The date by which the Company will issue the securities:*

The Shares will be issued no later than 1 month after the date of the AGM (or such later date to the extent permitted by any ASX waiver).

(d) *The issue price of the securities and the terms of issue:*

The issue price will be \$0.005 per Share. The Shares will rank equally in all respects with all existing Shares on issue.

(e) *Intended use of funds raised:*

No funds will be raised from the issue of Shares.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares the subject of Resolution 10:

(a) *Name of related party:*

Mr Rodney Dale.

(b) *The maximum number of securities to be issued:*

1,500,000 Shares.

(c) *The date by which the Company will issue the securities:*

The Shares will be issued no later than 1 month after the date of the AGM (or such later date to the extent permitted by any ASX waiver).

(d) *The issue price of the securities and the terms of issue:*

The issue price will be \$0.005 per Share. The Shares will rank equally in all respects with all existing Shares on issue.

(e) *Intended use of funds raised:*

No funds will be raised from the issue of Shares.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares the subject of Resolution 11:

(a) *Name of related party:*

Mr David Sanders.

(b) *The maximum number of securities to be issued:*

3,000,000 Shares.

(c) *The date by which the Company will issue the securities:*

The Shares will be issued no later than 1 month after the date of the AGM (or such later date to the extent permitted by any ASX waiver).

(d) *The issue price of the securities and the terms of issue:*

The issue price will be \$0.005 per Share. The Shares will rank equally in all respects with all existing Shares on issue.

(e) *Intended use of funds raised:*

No funds will be raised from the issue of Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Shares to the Directors will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **Resolution 12 – Approval of Issue of Shares to Lawfirst Pty Ltd**

Lawfirst Pty Ltd trading as Bennett + Co is the Company's legal adviser and at the request of the Company has agreed to accept payment for legal services up to the value of \$35,000 through the issue of Shares to enable the Company to conserve its available cash.

### **Reason for Approval**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As Mr David Sanders, a Director of the Company, is a director and shareholder of Lawfirst Pty Ltd the issue of Shares to Lawfirst Pty Ltd involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The Company is not seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act as the proposed Share issue is considered to be on terms no less favourable than arms-length terms for the purposes of section 210 of the Corporations Act.

### **Information required by the Listing Rules**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares the subject of Resolution 12:

(a) *Name of related party:*

Lawfirst Pty Ltd trading as Bennett + Co.

(b) *The formula for calculating number of securities to be issued:*

Shares to the maximum value of \$35,000 calculated at an issue price of the lesser of \$0.005 per Share and the last closing price on ASX for Shares traded prior to the date of issue of the Shares.

(c) *The date by which the Company will issue the securities:*

The Shares will be issued no later than 1 month after the date of the AGM (or such later date to the extent permitted by any ASX waiver).

(d) *The issue price of the securities and the terms of issue:*

The issue price will be the lesser of \$0.005 per Share and the last closing price on ASX for Shares traded prior to the date of issue of the Shares. The Shares will rank equally in all respects with all existing Shares on issue.

(e) *Relationship between Related Party and Director:*

Mr David Sanders is a director and shareholder of Lawfirst Pty Ltd.

(f) *Intended use of funds raised:*

No funds will be raised from the issue of Shares.

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### **Resolution 13 – Appointment of Auditor**

The Company has received a nomination for the appointment of Stantons International Audit and Consulting Pty Ltd trading as Stantons International as auditor of the Company to replace the Company's current auditors, RSM Bird Cameron.

Accordingly, RSM Bird Cameron have applied for ASIC's consent to resign as auditor and approval is being sought from Shareholders to appoint Stantons International in their place.

A copy of the nomination of the auditor is set out in Annexure B.

## Annexure A

### Terms and Conditions of Options

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The terms and conditions of the Options are as follows:

- a) Each Option entitles the holder to subscribe for and be allotted one Share.
- b) The Options are exercisable at 6 cents each.
- c) The Options will expire on 30 November 2016 (**Expiry Date**).
- d) The Options are exercisable at any time on or prior to the Expiry Date by notice in writing to the directors of the Company accompanied by payment of the exercise price.
- e) The Options are freely transferable.
- f) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Options.
- g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the Expiry Date, the Company makes an issue of new shares to the holders of Shares, the Company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- h) If from time to time on or prior to the Expiry Date the Company makes an issue of shares to the holders of Shares by way of capitalisation of profits or reserves (a bonus issue), then upon exercise of their options, Option holders will be entitled to have issued to them (in addition to the shares which would otherwise be issued to the member upon such exercise) the number of shares of the class which would have been issued to them under that bonus issue (**Bonus Shares**) if on the record date for the bonus issue they had been registered as the holder of the number of shares of which they would have been registered as holder if, immediately prior to that date, they had duly exercised their Options and the shares the subject of such exercise had been duly allotted and issued to them. The Bonus Shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options.
- i) There is no right to a change in the exercise price of the Options or to the number of Shares over which the options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- j) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an Option holder will be changed to the extent necessary to comply with the applicable Listing Rules in force at the time of the reorganisation.

## Annexure B

### Nomination of Auditor

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I, David Grant Sanders, being a member of Eclipse Metals Limited, hereby nominate Stanton International Audit and Consulting Pty Ltd trading as Stanton International as auditor of the Company.



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David Grant Sanders

Date: 22 October 2013

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

ECLIPSE METALS LIMITED

ABN: 85 142 366 541

REGISTERED OFFICE: SUITE 1 56 KINGS PARK ROAD WEST PERTH WA 6005

SHARE REGISTRY: Security Transfer Registrars Pty Ltd All Correspondence to: PO BOX 535, APPLECROSS WA 6953 AUSTRALIA 770 Canning Highway, APPLECROSS WA 6153 AUSTRALIA T: +61 8 9315 2333 F: +61 8 9315 2233 E: registrar@securitytransfer.com.au W: www.securitytransfer.com.au

Code: EPM

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Input box for Chairperson appointment

OR

Input box for proxy name appointment

The meeting Chairperson (mark with an "X")

The name of the person you are appointing (if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10.00am (WST) on Friday, 29 November 2013 at Bennett + Co, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Table with 3 columns: Resolutions, For, Against, Abstain\* and 3 columns: For, Against, Abstain\*. Contains 13 resolutions for voting.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote, please mark "X" in the box. By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of Resolutions 2, 5, 6, 7 and 9 and votes cast by him/her other than as a proxy holder will be disregarded because of that interest.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Signature lines for Individual or Security Holder, Security Holder 2, Security Holder 3, Sole Director and Sole Company Secretary, Director, Director / Company Secretary.

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10.00am (WST) on Wednesday, 27 November 2013.

ONLINE PROXY SERVICE

You can lodge your proxy online at www.securitytransfer.com.au

- 1. Log into the Investor Centre using your holding details. 2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID: [Input box]

