

22 August 2016

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The Company Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Road
SYDNEY NSW 2000

LIVERPOOL PROJECT FARM-IN & JOINT VENTURE

HIGHLIGHTS:

- **RIO TINTO CAN FUND UP TO \$5 MILLION EXPLORATION EXPENDITURE TO EARN A 90% INTEREST IN ONE OF THE FIVE ECLIPSE LIVERPOOL PROJECT URANIUM-GOLD-PALLADIUM TENEMENTS.**
- **RIO TINTO HAS THE RIGHT OF FIRST REFUSAL OVER OTHER TENEMENTS HELD BY ECLIPSE IN THE NORTHERN TERRITORY.**

On 19 August 2016, Eclipse Metals Ltd (ASX:EPM) (**Eclipse** or the **Company**) and its wholly owned subsidiary, North Minerals Pty Limited (**North**) executed a Farm-In / Joint Venture Agreement (**the Agreement**) with Rio Tinto Exploration Pty Ltd (**Rio Tinto**), a wholly owned subsidiary of Rio Tinto Limited (**ASX RIO**). The Agreement is to acquire an interest in one of the Company's Northern Territory Liverpool Uranium Project tenements, in the world class Alligator Rivers Uranium Field (Figure 1).

The Agreement provides for Rio Tinto to have the right of first refusal over the Company's other tenements in the Northern Territory.

Terms of the Agreement

Under the Agreement, Rio Tinto has the right to farm into Exploration License Application 27584, containing the Devil's Elbow prospect (Figure 2) and can earn up to a 90% interest by incurring expenditure in stages from the date of executing the agreement as outlined below:-

- Rio Tinto must spend a minimum of \$250,000 on exploration and will separately fund costs associated with achieving land access through the Northern Land Council and tenement grant.
- Stage 1: Rio Tinto completes \$1.5 million sole-funded exploration within 3 years to earn an initial 65% joint venture interest.
- Stage 2: Rio Tinto may then elect to earn a 75% joint venture interest by spending an additional \$2.0 million over a further 3 year period.
- At the end of Stage 2, Eclipse may elect to contribute pro rata to expenditure and maintain a 25% joint venture interest.
- Stage 3: In the event that Eclipse elects not to contribute, then Rio Tinto may elect to sole fund a further \$1.5 million expenditure over 2 years to earn a 90% joint venture interest.

Eclipse Metals Limited holds an impressive portfolio of over 18,375km² over 30 Exploration Licence areas in the Northern Territory and Queensland. Eclipse Metals Ltd has a multi-commodity portfolio including manganese, iron, gold, uranium, and base metals. Eclipse focus is concentrated on economic mineral discoveries through cost efficient exploration with the ultimate goal of developing economic mineral deposits and becoming a mining company in the medium to long term.

BOARD

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Non-Executive Director

Craig Hall
Non-Executive Director

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- Upon Rio Tinto earning a 90% interest, Eclipse may elect to maintain a contributing 10% interest or sell its interest to Rio Tinto at Fair Market Value.

Mr. Carl Popal, Executive Chairman of Eclipse, welcomed the agreement with Rio Tinto, stating:

“Eclipse welcomes this arrangement with Rio Tinto as a strong vindication of our belief in the prospectively of the Liverpool Project generally. The arrangements with Rio Tinto will mean that standout exploration targets will be given first-class technical assessment by one of the world’s largest and most successful mining and exploration companies.

We continue to seek the best results for the Eclipse shareholders and believe that this Farm-in and Joint Venture arrangement significantly enhances the prospects of identifying and developing economically viable mineral deposits at the Liverpool Project

An additional favourable factor in the Agreement is that it contains a Right of First Refusal (ROFR) in favour of Rio Tinto over various other Eclipse uranium tenements in the Northern Territory which have been identified as being of interest.”

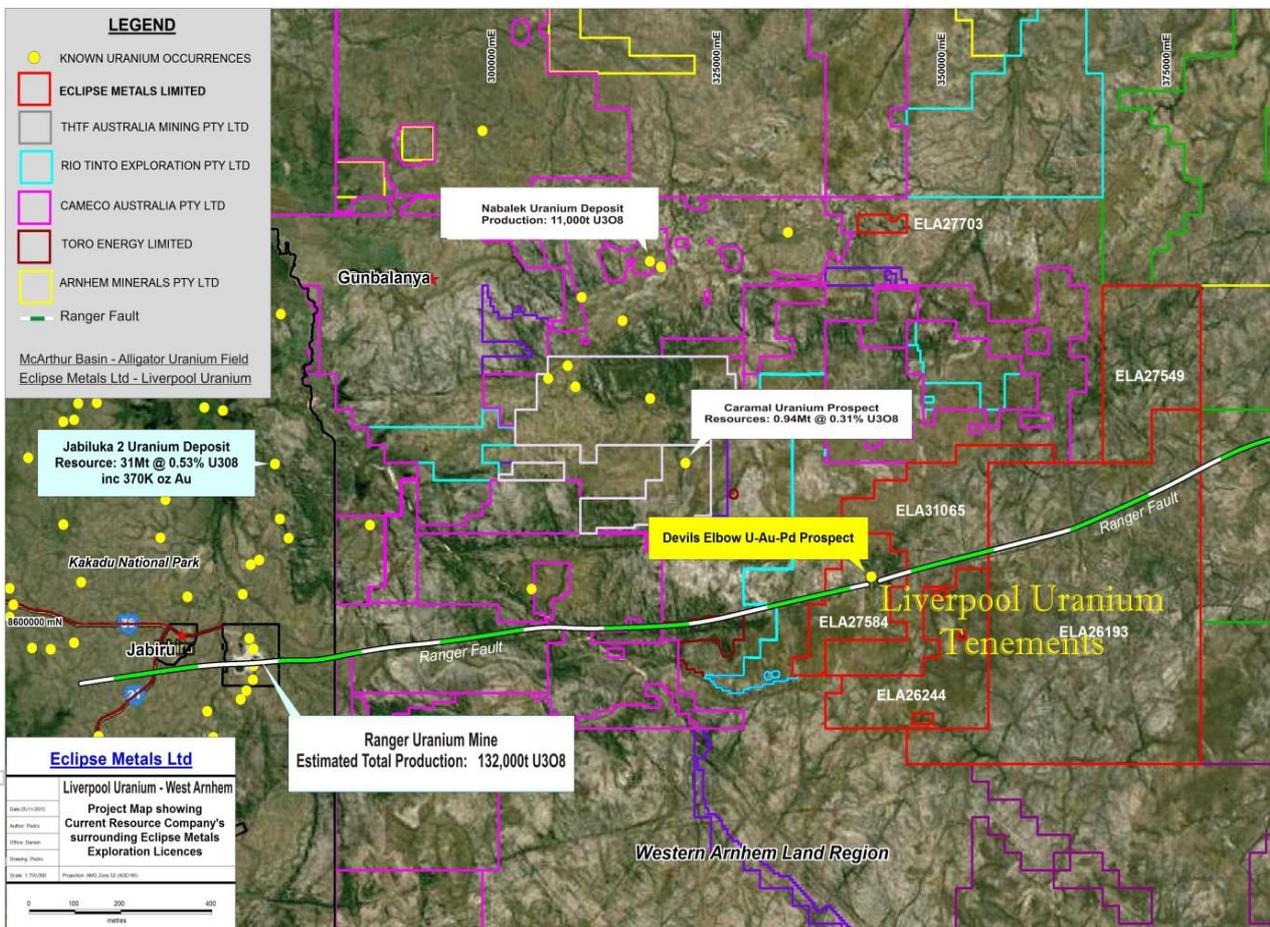


Figure 1. Liverpool Project location map and Devil's Elbow detail

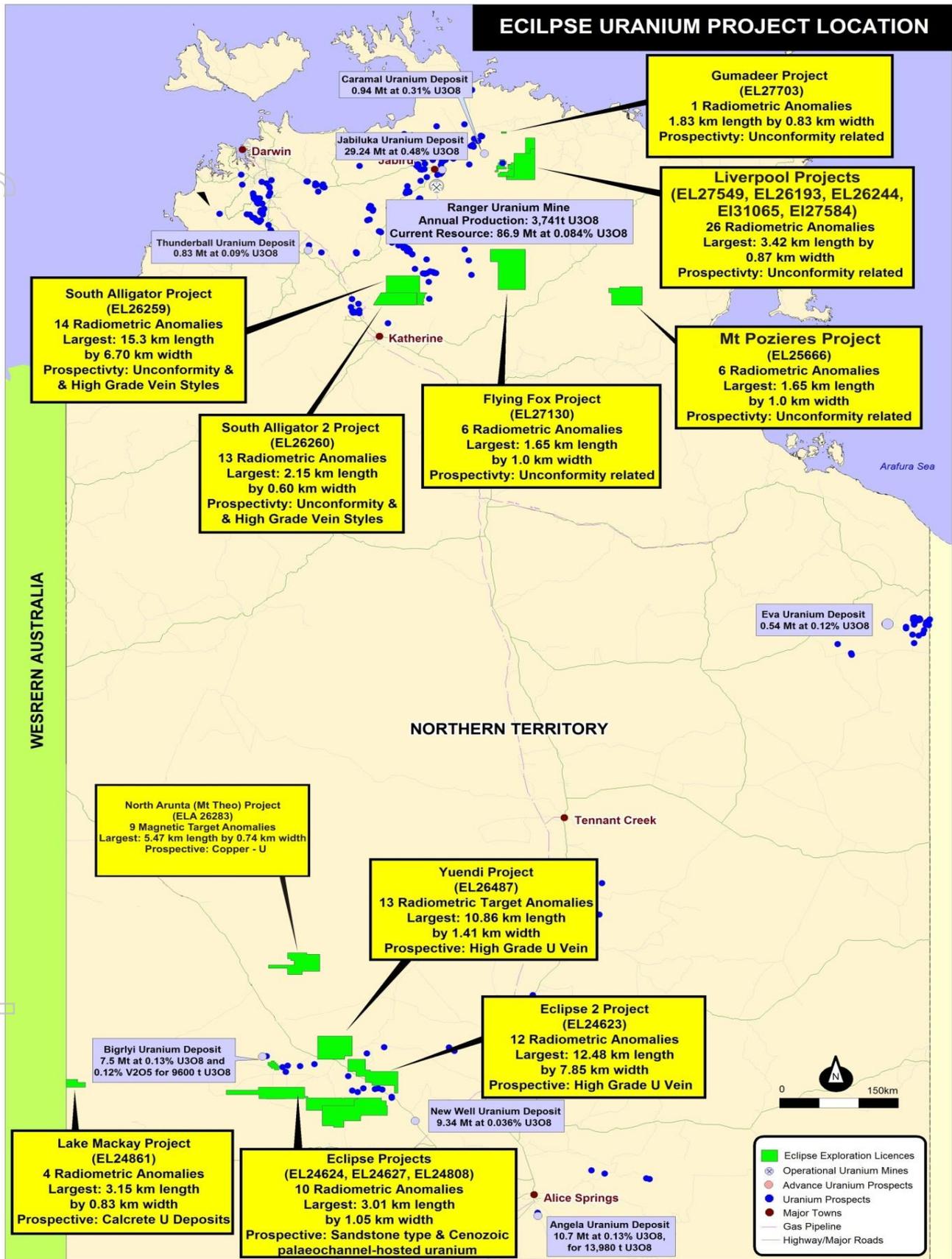


Figure 2. Eclipse Uranium Project Location Map in Northern Territory

Background

The Liverpool Uranium project lies approximately 285km east of Darwin, hosted within the world class Alligator Rivers Uranium Field. The Devil's Elbow Prospect within ELA 27584, is situated approximately 24km east-southeast

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ABOUT ECLIPSE METALS LTD:

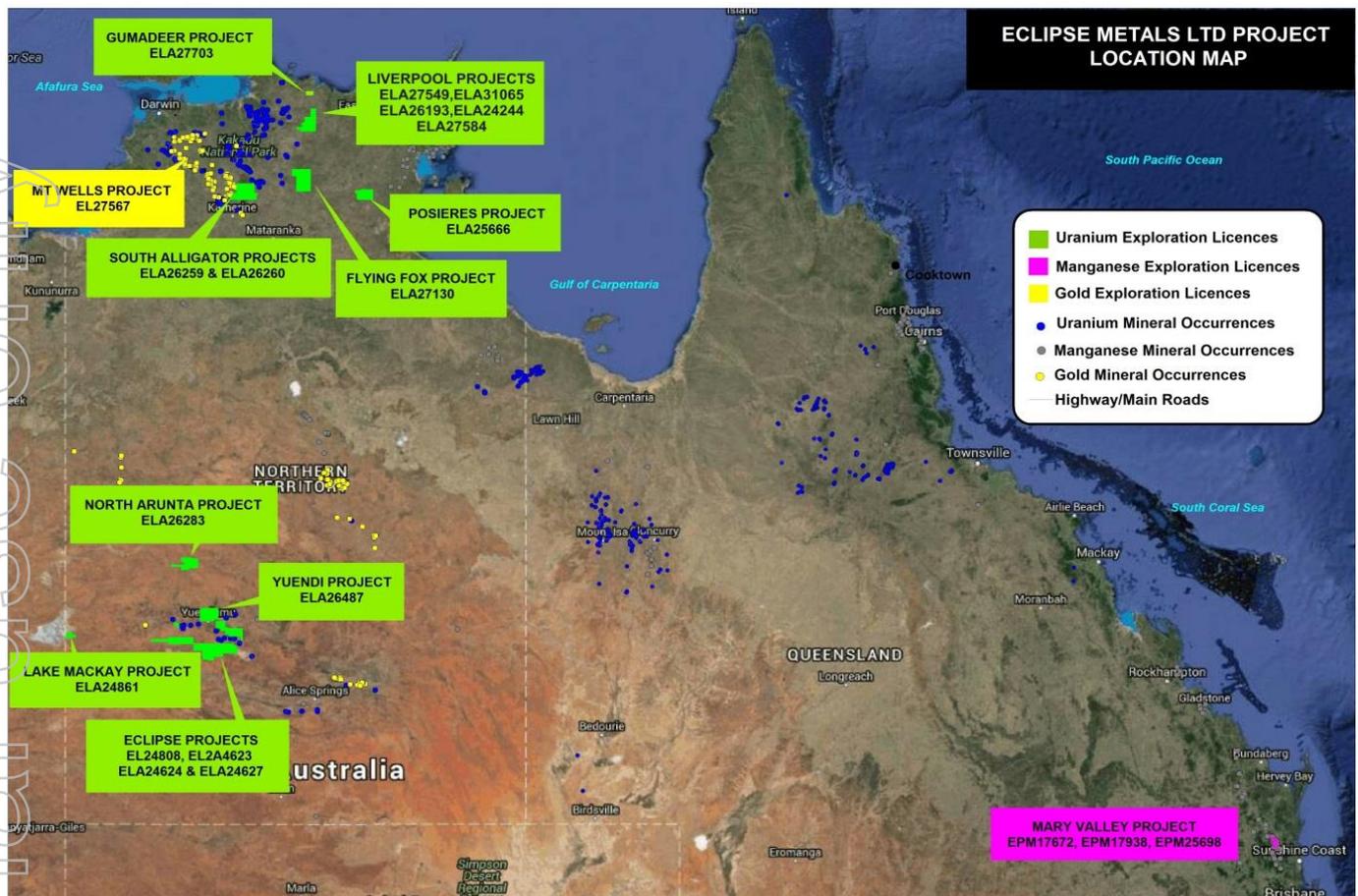


Figure 3. Eclipse Metals Ltd tenement interests in Northern Territory and Queensland

Eclipse Metals Ltd is an exploration company focused on multi-commodity exploration in the Northern Territory and Queensland. Projects held by Eclipse are prospective for mineralisation styles which may host a suite of commodities including; gold, uranium, industrial minerals and base metals.

Eclipse holds applications for and granted exploration tenements in 21 locations with a cumulative area of approximately 11,100km² within several highly prospective provinces, near to some world class uranium deposits such as the Rum Jungle Mineral Field, Alligator Rivers Region and the newly emerging Ngalia Basin.

Through its subsidiary Walla Mines Pty Ltd, Eclipse Metals holds tenements in Queensland containing deposits of some 167,000 tonnes of manganese mineralisation at grades up to 52%Mn. All deposits are open at depth and along strike.

The Company's projects include the following;

- Mt Wells Gold Project, NT
- West Arnhem, Eclipse, North Arunta and South Alligator Project
- Yuendi Copper Project
- Mary Valley Manganese Project, Queensland

With a series of projects located in geologically favourable areas, many with known mineral occurrences on the tenements, and significant developed projects nearby, there is considerable potential to discover significant mineralisation. Using modern and innovative exploration techniques Eclipse is systematically exploring project tenements for new areas of mineralisation.

The Company has a well-qualified board and management team with considerable experience across many commodity types and a track record of developing and bringing projects to the capital markets.

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