

30 July 2020

Activity Report and Appendix 5B for the Quarter ending 30 June 2020

- EL27584, Devil's Elbow, was granted on 29 May 2020.
- Detailed planning for field exploration will be commenced.
- All available historical exploration data is presently being collated and assessed for planning further exploration.
- Field visit planned as soon as travel restriction eased.

NORTHERN TERRITORY – DEVIL'S ELBOW

On 4 June the Directors of Eclipse Metals Limited (Eclipse or the Company) (ASX: EPM) announced that EL 27584, the Devil's Elbow uranium, gold, palladium prospect in the Northern Territory, had been granted on 29 May 2020 by the Department of Primary Industry and Resources to North Minerals Pty Ltd (wholly owned subsidiary of Eclipse).

Uranium, palladium and gold mineralisation in this project area was discovered and first explored by Uranerz Australia. Subsequently the Devil's Elbow was further explored, mainly to the north of Ranger Fault, by Cameco Australia between 2002 and 2008.

This brown-fields granted tenement area has been independently valued to capture increased value in the Company assets.

With increasing interest and value in precious and platinum group metals, plus positive moves in the price and demand for U₃O₈, our ability to explore the Devil's Elbow tenement is timely.

Analysis of the extensive detailed historical technical data in conjunction with walk-up drill targets defined by the Company will provide a solid platform for proposed exploration. A field reconnaissance visit has been planned to take place as soon as travel restrictions to the NT are eased. More detailed planning for field exploration will be progressed, aiming at commencement during the current northern field season, taking into consideration travel restrictions and availability of helicopter supported diamond core drilling contractors.

The Eclipse exploration program will focus on the area around the Devil's Elbow, Terrace and Ferricrete uranium prospects, concentrating on areas of high priority defined by historical geochemical and radiometric anomalies centrally within EL27584 and relatively unexplored ground south of the Ranger Fault.

Filtering of all available geophysical data over the tenement and surrounds is progressing in an effort to better understand the geophysical, structural and geological context of high-grade U, Au and Pd assays. Results to date are a substantial leap forward for the Devil's Elbow prospects and have enabled Eclipse to define and rank 17 drill target zones based on integration of all geophysical products generated.

The Devil's Elbow prospects have strong similarities with the Jabiluka uranium-Gold mine which was discovered in 1971 following-up a low order anomaly from a ground radiometric survey. Jabiluka is located 20km to the north of the Ranger uranium mine, about 75km to the west of Devil's Elbow. The uranium and gold mineralization occurs in an altered member of the Cahill Formation, proximal to reverse faulting structures.

Eclipse Metals Ltd is an Australian exploration company focused on exploring the Northern Territory and Queensland for multi commodity mineralisation. The company has an impressive portfolio of assets prospective for gold, manganese, base metals and uranium mineralisation. The Company's mission is to increase Shareholder wealth through capital growth and ultimately, dividends. Eclipse plans to achieve this goal by exploring for and developing viable mineral deposits to generate mining or joint venture income.

BOARD

Carl Popal
Executive Chairman

Rod Dale
Non-Executive Director

Ibrar Idress
Non-Executive Director

COMPANY SECRETARY

Eryn Kestel

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SHARE REGISTRY

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ASX CODE

EPM

WEBSITE

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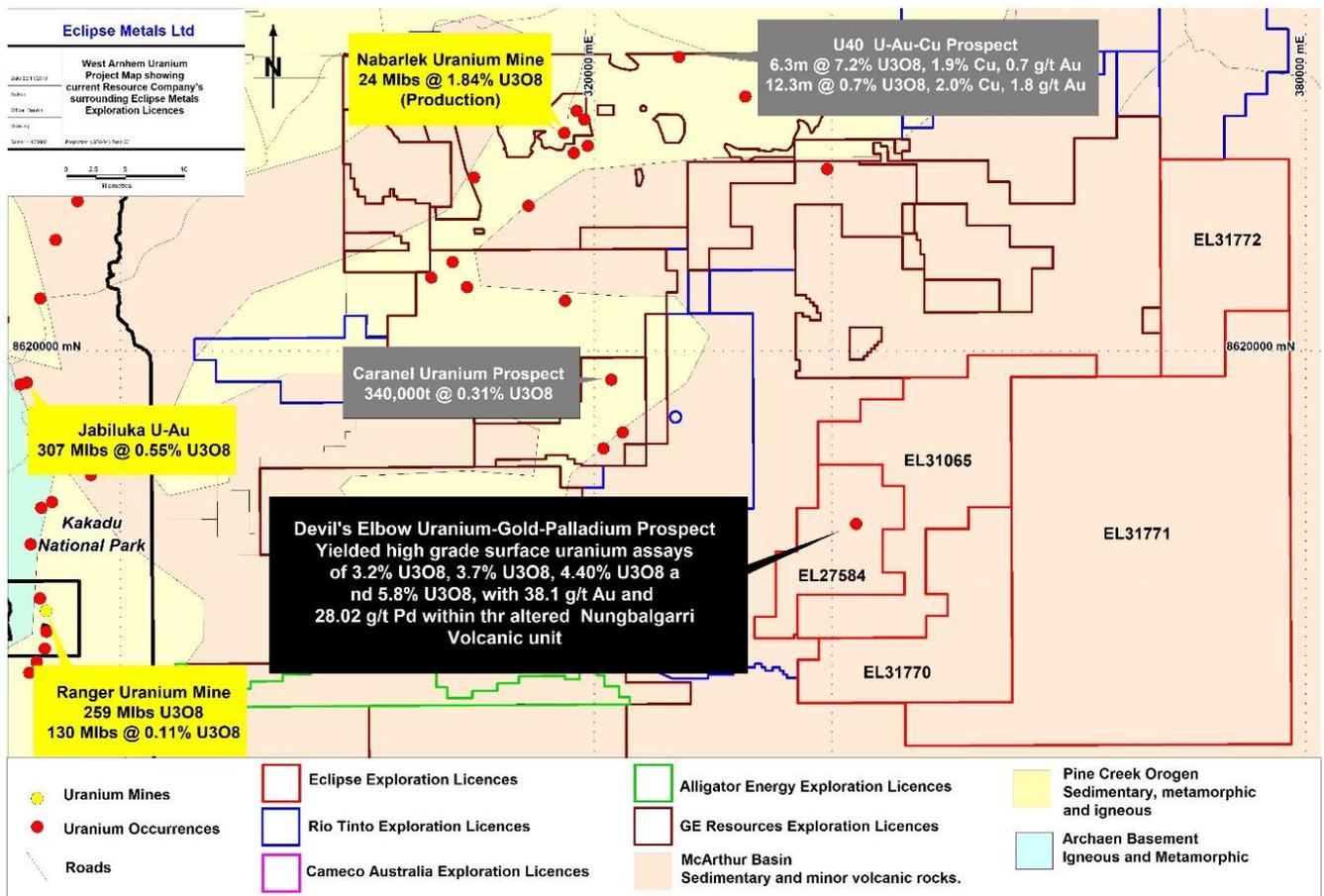


Figure 1. Liverpool Project, Eclipse and North Minerals Pty Ltd EL applications.

BACKGROUND

The Devil's Elbow prospects have strong similarities with the Jabiluka Uranium-Gold mine which was discovered in 1971 following-up a low order anomaly from a ground radiometric survey. Jabiluka is located 20km to the north of the Ranger uranium mine, about 75km to the west of Devil's Elbow. The uranium and gold mineralization occurs in an altered member of the Cahill Formation, proximal to reverse faulting structures.

In 2012 /13 the reserves at Jabiluka were quoted as 67,700t U₃O₈ ore; measured and indicated resources of 16,440t at 0.36% U₃O₈ and inferred resources of 57,500t of 0.48% U₃O₈, with a gold resource of 1.1Mt at 10.7g/t for 385,850oz. The Jabiluka deposits were discovered by drilling following-up trenching in an area of high-grade mineralized float. This is amongst the world's largest and highest grade uranium deposits.

In the Alligator Rivers Uranium Field, airborne radiometric surveys detected significant uranium mineralisation at Ranger 1, Koongarra and Nabarlek. The largest radiometric anomaly, at Ranger 1, was 15 times background intensity and extended over an area of 7 km by 1.5 km (Rowntree and Mosher 1975). Ranger 1 mineral resource was 18.04 Mt @ 0.34% U with 60,961 t contained U₃O₈. By contrast, the Koongarra U-Au anomaly was detected on one flight line and had an extent of only 100 m. This small weak radiometric anomaly yielded the Koongarra 1 and 2 deposits. Koongarra 1 has a mineral reserve of 1.82Mt @ 0.79% U₃O₈ with 14,512 t contained U₃O₈ and 100,000 oz Au. The Koongarra 2 mineral resource is 0.66Mt @ 0.30% U₃O₈ with 2,000 t contained U₃O₈ (Bajwah ZU. & Lally, 2006).

Additional geological information about the Devil's Elbow project can be viewed on the company's website <http://eclipseuranium.com.au/investors/presentations/>. Historic samples from shallow trenching yielded high-grade uranium, gold and palladium assays including 3.2% U₃O₈, 3.7% U₃O₈, 4.40% U₃O₈ and 5.8% U₃O₈, with 38.1g/t Au and 28.02g/t Pd, related to fractures within altered amygdaloidal basalt of the Nungbalgarri Volcanics.

Based on earlier assessment of the collated original exploration results, Eclipse has delineated several new electromagnetic/gravity/radiometric targets, untested highly anomalous structural zones and areas to the south of the Ranger Fault which warrant further significant follow-up exploration activity.

CORPORATE

In May 2020, the Company issued 96,476,107 new fully paid ordinary shares to raise \$531,000 (Placement).

Shares under the Placement were issued at \$0.0055 per new share, representing a 15% discount to Eclipse's 5-day volume weighted average price of \$0.0064 based on the last trading date of 7 May 2020.

The issue of Shares under the Placement was undertaken in a single tranche, utilising the Company's ASX Listing Rule 7.1 placement capacity.

The Placement was completed to allow Eclipse to fund planned exploration activities on the Devil's Elbow Project

FINANCIAL

As at 30 June 2020, Eclipse had cash and current investments totalling \$962,000.

Over the previous quarter, Eclipse's net cash outflow from operating activities totalled \$73,000. Key expenditure items included \$29,000 for support services and \$26,000 for related party expenses comprised of \$24,000 for Director fees and \$2,400 for consulting services provided by Directors. A portion of the Director fees was in respect to the December 2019 and March 2020 quarters.

Exploration expenditure incurred in respect of Devil's Elbow and Mary Valley West areas of interest during the June 2020 quarter was assessed by the Board and the resolution made to partially capitalise and recognise as an exploration and evaluation asset, \$27,000 for Devil's Elbow project and \$17,000 for Mary Valley West.

This ASX release was authorised by the Board of the Company.

Carl Popal Executive Chairman

For further information please contact:

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Rod Dale
Non-Executive Director
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Competent Persons Statement

Geology The information in this report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Mr Pedro Kastellorizos (geological consultant) for Mr Rodney Dale, the Non-Executive Chairman of Eclipse Metals Limited. Mr Dale is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Dale and Mr Kastellorizos have verified the data disclosed in this release and consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

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

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

Granted Tenements

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
EL 24808	Cusack's bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	32
EPM 17672	Mary Valley	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	7
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	4

Tenement Applications

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
ELA 24623	Yuendi	Cu, Uranium	Application	NT	Eclipse Metals Ltd	100	305
ELA 24861	Lake Mackay	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 26487	Yuendi	Cu, Uranium	Application	NT	Whitvista Pty Ltd ²	100	320
ELA 27584	Devil's Elbow	Uranium	Application	NT	North Minerals Pty Ltd ³	100	30
ELA 31065	Liverpool 1	Uranium	Application	NT	Eclipse Metals Ltd	100	68
ELA 31499	Ngalia 1	Uranium	Application	NT	Eclipse Metals Ltd	100	249
ELA 31500	Ngalia 2	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31501	Ngalia 3	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31502	Ngalia 4	Uranium	Application	NT	Eclipse Metals Ltd	100	226
ELA 31770	Liverpool 2	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 31771	Liverpool 3	Uranium	Application	NT	Eclipse Metals Ltd	100	240
ELA 31772	Liverpool 4	Uranium	Application	NT	Eclipse Metals Ltd	100	51
ELA 32077	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	195
ELA 32078	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248
ELA 32079	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248

¹ Walla Mines Pty Ltd is a subsidiary of Eclipse Metals Ltd

² Whistvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

³ North Minerals Pty Ltd is a subsidiary of Eclipse Metals Ltd

Appendix 5B

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

Name of entity

Eclipse Metals Limited

ABN

85 142 366 541

Quarter ended ("current quarter")

June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(13)	(112)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(62)	(238)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other- <i>Research & Development and Deposit refunds</i>	-	82
1.9	Net cash from / (used in) operating activities	(73)	(264)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (capitalised)	(44)	(53)
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(44)	(53)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	531	1,006
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(33)	(35)
3.5	Proceeds from borrowings	-	(50)
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	498	921

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	581	358
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(73)	(264)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(44)	(53)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	498	921
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	962	962

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	962	581
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	962	581

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 **	26
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

** Item 6.1 includes aggregate amounts of \$23,742 which relate to Directors' fees and \$2,400 which relates to fees for consulting services provided by Directors.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end	Not Applicable	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(73)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(44)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(117)
8.4 Cash and cash equivalents at quarter end (item 4.6)	962
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	962
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Not Applicable	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Not Applicable	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Not Applicable	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2020

Authorised by: By the Board of Eclipse Metals Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.