



(Formerly Eclipse Uranium Limited)

ABN: 85 142 366 541

**Financial Report For The Year Ended
30 June 2012**

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)**

AND CONTROLLED ENTITIES

ABN: 84 142 366 541

**Financial Report For The Year Ended
30 June 2012**

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**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
AND CONTROLLED ENTITY
CORPORATE INFORMATION**

DIRECTORS

Mr Graeme Allan (Non-Executive Chairman)
- Appointed 11th November 2011
Mr Emilio Pietro Del Fante (Managing Director)
Mr Shane Casley (Non-Executive Director)
- Appointed 6th July 2012
Mr David Sanders (Non-Executive Director)
- Resigned 6th July 2012
Mr Mark Fogarty (Managing Director)
- Resigned 25th June 2012
Mr Brett Smith (Non-Executive Director)
- Resigned 11th November 2011
Mr Paul Kelly (Non-Executive Director)
- Resigned 11th November 2011

COMPANY SECRETARY

Mr Robert Marusco

REGISTERED OFFICE

309 Pier Street
Perth WA 6000

PRINCIPAL PLACE OF BUSINESS

309 Pier Street
Perth WA 6000

POSTAL ADDRESS

Eclipse Metals Limited
309 Pier Street
Perth WA 6000

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

LEGAL ADVISORS

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

SHARE REGISTRY

Share Transfer Registers Pty Ltd
770 Canning Highway
Applecross WA 6953

INTERNET ADDRESS

www.eclipsemetals.com.au

ASX CODES

Shares EPM
Options EPMO

COUNTRY OF INCORPORATION AND DOMICILE

Australia

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

Your directors submit the annual financial report together with the consolidated financial statements of Eclipse Metals Limited (the Company) and of the Group, being its controlled entities for the year ended 30 June 2012. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Information on Directors

The names of directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Graeme Allan — (Non-Executive Chairman) Appointed 11 November 2011

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.

Graeme has a Diploma in Education and has extensive managerial experience covering over a 25 year career in the professional sporting industry. His leadership, vision and expertise in relationship management will be an invaluable contribution to furthering the Company's objectives.

During the past three years he has served as a non executive chairman of the following ASX listed company.

- Dourado Resources Limited

Mr Emilio Pietro Del Fante — (Managing Director)

Mr Del Fante was appointed director on 3 March 2010 and 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. Peter is currently the managing director of Dourado Resources Limited and has been a director of two other public listed mining exploration companies one of which was Revere Mining Ltd now Enterprise Metals Ltd where he was instrumental in guiding to an ASX listing.

Over the years as a consultant in the resource industry, Peter has also 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.

Peter's wide experience in the mining industry will be a valuable asset to the company.

During the past three years he has also served as a non executive director of the following ASX listed companies:

- Prime Minerals Limited
- Enterprise Metals Limited
- Dourado Resources Limited

Mr Shane Casley — (Non-Executive Director) Appointed 6 July 2012

Mr Casley is currently a managing partner at Affinity Accountants - a well-regarded Victorian firm which has 20 staff and offices in Southbank and Geelong. Shane has 30 years accounting experience and provides taxation and management advice to a wide range of clients including primary producers, property development, retailers and manufacturers in Australia and overseas.

Shane has previously sat on various boards and was up until recently a board member of Seaworks Limited.

Shane is also one of Australia's most respected advisors in Sports Management and has been an accredited Australian Football League Agent since 1996. He was co-founder of the Football Division of Elite Sports Properties, one of Australia's largest sports management companies.

During the past three years he has also served as a non executive director of the following ASX listed company:

- Dourado Resources Limited

Mr Mark Fogarty — (Managing Director) Resigned 25 June 2012

Mr Fogarty has nearly 20 years of experience in the mining and exploration industry. He graduated as a geologist in 2001 and has worked extensively on uranium, precious and base metal mining and exploration projects throughout Australia.

Recently Mr Fogarty was Senior Geologist at Cauldron Energy, where he was involved in the definition of uranium resources at the Yanrey Project in Western Australia. With Cauldron Energy he was also active in the exploration of the company's assets in the Northern Territory and South Australia. Mr Fogarty also served on the board of United Uranium in 2007 and 2008.

During the past three years he has not served as a director of any ASX listed companies.

**ECLIPSE METALS LIMITED
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DIRECTORS' REPORT**

Mr David Sanders — (Non-Executive Director) Appointed 2 December 2011 - Resigned 6 July 2012

Mr Sanders is a principal of the law firm Bennett and Co Corporate and Commercial Law. He has over 15 years of extensive experience in corporate and resources law and holds a Bachelor of Jurisprudence, Bachelor of Law and Bachelor of Commerce degrees from the University of Western Australia and a Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia.

Mr Sanders advisers 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.

During the past three years he has also served as a non executive director of the following ASX listed companies:

- Acuvax Limited
- Golden West Resources Limited
- Marenica Energy Limited

Mr Brett Smith — (Non-Executive Director) Resigned 11 November 2011

Mr Smith has acquired over 25 years of experience in the mining and exploration industry as a geologist, manager, consultant and director. His industry experience is broad, dominated by exploration and resource definition for mining operations.

During the past three years he has also served as a non executive director of the following ASX listed companies:

- Corazon Mining Limited
- Blackham Resources Limited
- Jacka Resources Limited
- Cauldron Energy Limited

Mr Paul Kelly — (Non-Executive Director) Resigned 11 November 2011

Mr Kelly has more than 20 years of experience in the fields of finance, investment and banking. Mr Kelly was previously National Manager of Advertising and Sponsorship for Members Equity Bank and has held a number of senior roles with the bank over a 15 year period.

During the past three years he has also served as a non executive director of the following ASX listed companies:

- Chameleon Mining NL
- FE Limited
- Monitor Energy Limited

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Robert Marusco — B.Bus, CPA, SA Fin.

Mr Marusco was appointed company secretary on 11 November 2011. He has been a Certified Practising Accountant for over 20 years and acts as a company secretary for a range of ASX listed companies in the resources and general business sector.

Mr Marusco is not an executive of the Company.

Interest in the shares and options of the company

At the date of this report, the interest of the directors in the shares and options of the Company were:

Director	Number of Ordinary Shares	Number of Options
G Allan (appointed 11/11/2011)	-	-
E P Del Fante	-	150,000
S Casley (appointed 06/07/2012)	-	-
M Fogarty (i) (resigned 25/06/2012)	20,000	10,000
D Sanders (resigned 06/07/2012)	-	-
B Smith (ii) (resigned 11/11/2011)	-	-
P Kelly (resigned 11/11/2011)	10,000	5,000
	<u>30,000</u>	<u>165,000</u>

(i) Mr Mark Fogarty forfeited 250,000 Unlisted 20 cent Options expiring on 30 November 2015 upon his resignation.

(ii) Mr Brett Smith forfeited 150,000 Unlisted 20 cent Options expiring on 30 November 2015 upon his resignation.

Indirect interests in shares and options shown above are as follows:

M Fogarty

10,000 fully paid Ordinary Shares held by Y Tragof Lty Ltd, at date of resignation

5,000 Listed 31 May 2014 Options held by Y Tragof Pty Ltd, at date of resignation

P Kelly

10,000 fully paid Ordinary Shares held by PAFK Enterprises Pty Ltd, at date of resignation

5,000 Listed 31 May 2014 Options held by PAFK Enterprises Pty Ltd, at date of resignation

**ECLIPSE METALS LIMITED
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DIRECTORS' REPORT**

Share Options - Unissued Shares

At the date of this report, there were 33,682,665 unissued ordinary shares of Eclipse Metals Limited

Unissued ordinary shares under options	30 June 2012	Reporting date
Unlisted options exercisable at \$0.20 expiring on 30 November 2015	150,000	150,000
Unlisted options exercisable at \$0.06 expiring on 31 March 2013	20,909,165	20,909,165
Unlisted options exercisable at \$0.06 expiring on 31 March 2016	-	3,750,000
Listed options exercisable at \$0.20 expiring on 31 May 2014	8,873,500	8,873,500
	<u>29,932,665</u>	<u>33,682,665</u>

Options holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

Dividends Paid or Recommended

No dividends have been paid or declared since the start of the period and the directors do not recommend the payment of a dividend in respect of the period.

Principal Activities and Significant Changes in Nature of Activities

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

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

Operating Results and Review of Operations for the year

Operating Results

The consolidated statement of comprehensive income shows a net loss attributable to members of \$1,682,186 (2011: \$532,043).

Review of Operations

Over the past 12 months operations have focused on Eclipse's flagship project in the Ngalia basin (the Eclipse Project) and also its projects in the Pine Creek area (Pine Creek Project).

On 4th January 2012 Eclipse settled the acquisition of Central Energy Pty Ltd which has increased Eclipse's landholding to over 26,300km². The Company is in the process of a complete geological review of these tenements.

A Capital Raising was completed in June 2012. The net proceeds will be used to facilitate the company's objective to continue with its exploration activities, accommodate administrative commitments including general working capital requirements and take advantage of new opportunities as they arise.

It was ratified at the Company's General Meeting, held Monday 25th June 2012 to change the Company's name to "Eclipse Metals Limited" pursuant to Section 157(1) of the Corporations Act and the Constitution of the Company.

Eclipse agreed to underwrite the Share Purchase Plan ("SPP") announced 29th June 2012 by Dourado Resources Limited ("Dourado") for a maximum amount of \$600,000.

ECLIPSE PROJECT

The Eclipse Project is located 200km northwest from Alice Springs in the Ngalia Basin. Numerous deposits are found within this basin including the Biglyi Deposit (Energy Metals Limited, ASX:EME). Within the Eclipse licences there are historically recorded mineral occurrences including Currinya and Mount Wedge prospects.

The company completed over 1,600 line km's of a Tempest Electromagnetic program in the Eclipse Project in late 2011. Data has been processed by the company's geophysicist and drilling programs have been designed to test conductive targets over two tenements (EL24625 and EL24637). These conductive targets may represent both structure related conductive features as well as interpreted sedimentary targets. Mining Management Plans have been submitted to the Northern Territory Government and the Central Land Council.

Eclipse has participated in the final workshop of the CSIRO Joint Surveys Uranium Ngalia Basin Project and received the final report.. The information has provided a new found understanding of uranium mineralisation within the Ngalia basin. A project review and new target generation has been conducted using this information.

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DIRECTORS' REPORT**

Pine Creek Project

The Pine Creek Project area is comprised of 9 granted tenements and five exploration licence applications within the Pine Creek Orogen. The Pine Creek Orogen is one of the most prospective areas for uranium and multi commodity mineralisation in the Northern Territory. Eclipse holds a series of tenements located near to the Rum Jungle Mineral Field as well as more regional project areas. These tenements are considered highly prospective for uranium as well as gold, base metals and REE.

Eclipse is currently in the processes of generating a database of all historical works and results in the licences and surrounding areas. Eclipse has been liaising with the Northern Territory Geological Survey and has determined that some of the historic core (approximately 10-15 holes) is stored in their Darwin core yard. Over the last six months Eclipse completed two field trips to the Darwin region. A preliminary visit was completed to establish access and logistics requirements for the tenements as well as mapping to increase geological understanding of the area. During the trip assessment of the historical diamond core from the tenements held at the NT Geological Survey core yard was conducted.

The Aboriginal Areas Protection Authority has been commissioned to complete a sacred site clearance on three granted licences within the Pine Creek Project. This survey will allow field works including soil sampling, rock chip sampling and drilling to commence over the coming year once surveys have been completed and clearance received.

CORPORATE

Central Energy Pty Ltd

Eclipse settled the acquisition of Central Energy Pty Ltd which has increased Eclipses landholding to over 26,300km².

The tenements span over four project areas located in the Northern Territory which complement Eclipse Metals Limited's current land holding of approximately 8,910 km². The projects add significant value to the exploration potential of Eclipses portfolio. The tenements hold potential for uranium, rare earths, precious and base metals within the new project areas.

Klondyke Gold Ltd

Eclipse acquired an interest in Klondyke Gold Ltd which holds a portfolio of mining and prospecting tenements situated around the town of Cue in Western Australia. The board of Klondyke believe its tenure is prospective for gold mineralisation.

This acquisition in Klondyke (a gold prospective exploration company) represents a diversification of the Company's asset base, which is considered prudent with current gold prices at historically high levels.

Significant Changes in State of Affairs

The following significant change in the state of affairs of the parent entity occurred during the financial year:

On 4 January 2012, the Company completed the acquisition of 100% of the shares and options of Central Energy Pty Limited and its subsidiaries Whitvista Pty Limited and U308 Agencies Australia Pty Limited.

The total cost of the acquisition was \$2,800,000 and comprised an issue of 35,000,000 fully paid Ordinary shares as consideration.

Changes in controlled entities and divisions:

There were no significant changes in the state of affairs of the controlled entities during the financial year.

Significant events after the Reporting Period

On 10 July 2012 the Company announced that it had entered into a funding agreement to Klondyke Gold Limited (refer note 23).

On 17 September 2012 the Company announced that it had converted the Walla Mines Limited loan of \$90,000 into 1,890,000 fully paid ordinary shares. Additionally, the Company made a further investment in Walla Mines Limited acquiring 4,000,000 fully paid ordinary shares and 2,500,000 options (refer note 23).

Future Developments, Prospects and Business Strategies

The management team and Board of Directors (the Board) of the Company are continuing to review opportunities available to the Company, which includes the exploration of the Group's existing tenements and assessment of new opportunities.

Environmental Issues

The Company's operations are subject to environmental regulations under the law of the Commonwealth and State. The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

**ECLIPSE METALS LIMITED
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DIRECTORS' REPORT**

Indemnifying Officers or Auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- During the period, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Mr R Marusco, and all executive offices of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.
- The Company has not otherwise, during or since the period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability as such an officer or auditor.

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 party 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.

Meetings of Directors

During the financial year, 7 meetings of directors were held.

Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Director's meetings attended
Mr Graeme Allan	7	6
Mr Emilio Pietro Del Fante	7	7
Mr Shane Casley	-	-
Mr Mark Fogarty	5	5
Mr David Sanders	6	6
Mr Brett Smith	-	-
Mr Paul Kelly	-	-

Mr Shane Casley was appointed to the board on the 6 July 2012 and did not attend any board meetings during 2012

Mr Mark Fogarty resigned from the board on 25 June 2012

Mr David Sanders was appointed to the board on the 2 December 2011 & resigned on 6 July 2012

Mr Brett Smith resigned from the board on 11 November 2011

Mr Paul Kelly resigned from the board on 11 November 2011

Non-audit Services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Non audit services that have been provided by the entity's auditor, RSM Bird Cameron Partners have been disclosed at note 7.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 11 of the Financial Report.

**ECLIPSE METALS LIMITED
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DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED)

The remuneration report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for key management personnel (KMP) who are defined as those persons having the authority and responsibility for planning and directing the major activities of the Company and the consolidated entity, directly and indirectly, including any director (whether executive or otherwise) of the parent Company.

Details of Key Management Personnel

Directors:

Mr Graeme Allan	Chairman (Non-Executive) Appointed 11 November 2011
Mr Emilio Pietro Del Fante	Managing Director (Executive)
Mr Shane Casley	Director (Non-Executive) Appointed 6 July 2012
Mr Mark Fogarty	Managing Director (Executive) Resigned 25 June 2012
Mr David Sanders	Director (Non-Executive) Appointed 2 December 2012 - Resigned 6 July 2012
Mr Brett Smith	Director (Non-Executive) Resigned 11 November 2011
Mr Paul Kelly	Director (Non-Executive) Resigned 11 November 2011

Remuneration Philosophy

The performance of the consolidated entity and its subsidiaries depend on the quality of the consolidated entity's Directors, executives and employees and therefore the Company must attract, motivate and retain appropriately qualified industry personnel.

Remuneration policy

Remuneration levels for the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individual's experience and qualifications.

During the year, the Company did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive Directors.

The remuneration of executive and non-executive Directors is not dependent on the satisfaction of performance conditions. Remuneration and share based payments are issued to align Directors' interest with that of shareholders.

Executive Director Remuneration

Mr Mark Fogarty

The Company has entered into a three year Executive Service Agreement with Mr Fogarty. Under the Agreement Mr Fogarty is entitled to receive \$160,000 per annum (exclusive of statutory superannuation). In addition, Mr Fogarty received 250,000 Unlisted Options during the 2011 year which are exercisable at \$0.20 each expiring on 30 November 2015.

Mr Emilio Pietro Del Fante

The Company has entered into an Executive Service Agreement with Mr Del Fante to perform the duties of Managing Director. The agreement shall continue indefinitely until it is terminated. Under the Agreement Mr Del Fante is entitled to receive \$80,000 per annum inclusive of statutory superannuation.

Mr Del Fante is also entitled to receive \$48,000 per annum for his role as a Director of the Company. There is currently no employment contract between the Company and Mr Del Fante. Mr Del Fante received 150,000 Unlisted Options in 2011 which are exercisable at \$0.20 each expiring 30 November 2015.

Summary details of remuneration of the Executive Directors is provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition. Further details of the Executive Director's remuneration and Option holdings for the year are detailed in Note 6.

**ECLIPSE METALS LIMITED
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DIRECTORS' REPORT**

Non-Executive Directors Remuneration

Mr Graeme Allan is entitled to receive \$48,000 per annum (commencing 11 November 2011) for his role as a Chairman of the Company. There is currently no employment contract between the Company and Mr Allan.

Mr David Sanders is entitled to receive \$48,000 per annum (commencing 2 December 2011) for his role as a Director of the Company. There is currently no employment contract between the Company and Mr Sanders.

Mr Brett Smith is entitled to receive \$48,000 per annum for his role as a Director of the Company (Ceasing 11 November 2011). There is currently no employment contract between the Company and Mr Smith. Mr Smith received 150,000 Unlisted Options in 2011 which are exercisable at \$0.20 each expiring 30 November 2015.

Mr Shane Casley is entitled to receive \$48,000 per annum (commencing 6 July 2012) for his role as a Director of the Company. There is currently no employment contract between the Company and Mr Casley.

Mr Paul Kelly is entitled to receive \$48,000 per annum (ceasing 11 November 2011) for his role as a Director of the Company. There is currently no employment contract between the Company and Mr Kelly.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. The Annual General Meeting held on 25 November 2011 confirmed the non-executive directors remuneration by vote.

Summary details of remuneration of the Non-Executive Directors is provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition. Further details of the Non-Executive Director's remuneration and Option holdings for the year are detailed in Note 6.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

Remuneration of Directors

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of KMP of the consolidated group:

Table of Benefits and Payments for the year ended 30 June 2012

	Short-term benefits	Post Employment Benefits	Equity-settled share-based payments	Total	Performance based	Comprising options
2012	\$	\$	\$	\$	%	%
Directors						
Mr Graeme Allan (i)	32,000	-	-	32,000	-	-
Mr Emilio Pietro (ii) Del Fante	48,000	-	9,590	57,590	-	16.6
Mr Mark Fogarty	163,333	14,100	-	177,433	-	-
Mr David Sanders (iii)	28,000	-	-	28,000	-	-
Mr Brett Smith (iv)	18,000	-	-	18,000	-	-
Mr Paul Kelly (v)	18,000	-	-	18,000	-	-
	<u>307,333</u>	<u>14,100</u>	<u>9,590</u>	<u>331,023</u>	<u>-</u>	<u>3</u>

(i) During the year ended 30 June 2012, an amount of \$32,000 was paid or payable to Brallgra Pty Ltd a Company that Mr Allan is a director of.

(ii) During the year ended 30 June 2012, an amount of \$48,000 was paid or payable to Corporate Tenement Services & Sorna Pty Ltd a Company that Mr Del Fante is a director of.

(iii) During the year ended 30 June 2012, an amount of \$28,000 was payable to Mr Sanders. This amount remains outstanding as at 30 June 2012.

(iv) During the year ended 30 June 2012, an amount of \$18,000 was paid or payable to Topaz Pty Ltd a Company that Mr Smith is a director of.

(v) During the year ended 30 June 2012, an amount of \$18,000 was paid or payable to PAFK Enterprises Pty Ltd a Company that Mr Kelly is a director of.

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
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DIRECTORS' REPORT**

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



.....
Mr Emilio Pietro Del Fante

Dated: 27/09/2012

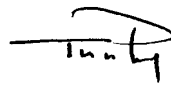
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Eclipse Metals Limited for the year ended 30 June 2012, 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: 27 September 2012

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
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CORPORATE GOVERNANCE STATEMENT**

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Eclipse Metals Limited is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

Corporate governance disclosures

The Board and management are committed to corporate governance and to the extent that they are applicable to the Company have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council.

In summary, at the date of this report the Company departs from the Guidelines in three (3) key areas:

- Recommendation 2.4:
The Company does not have a separate Nomination Committee as it is not of a size nor does it have the business undertaking that warrants such a Committee; and

The full Board attends to the matters normally attended to by a Nomination Committee.

- Recommendation 3.3:
Due to the current nature and scale of Eclipse Metals Limited activities, the Company is yet to establish measurable objectives for achieving gender diversity to report against;

- Recommendation 4.1:
The Company does not have a separate Audit and Risk Management Committee as it is not of a size, has limited resources and does not have the operating business that warrants a full Audit and Risk Management Committee;

The Company is small scale, has limited resources and does not have an operating business so it does not warrant a full Audit and Risk Management Committee;

- Recommendation 8.1:
The Company does not have a separate Remuneration Committee as it is not of a size nor does it have the business undertaking that warrants such a Committee; and

The full Board attends to the matters normally attended to by a Remuneration Committee.

The Company does not have a full time Chief Financial Officer but all assurances as to the integrity of the Financial Accounts are provided by the externally appointed Senior Accountant.

During the 2012 Financial Year the Company departed from Recommendations 2.2 and 2.3 and it was not until the 11 November 2011 that these Recommendations were able to be addressed by the Company.

- The Chairman was not an independent Director; as he is associated directly with a substantial shareholder of the Company by being an officer of the Company through a Director relationship.
- The roles of chairperson and chief executive officer were exercised by the same person.

The Company has effective 11 November 2011 appointed an Independent Non-Executive Chairperson.

Role of the board

The Board's current role is to collectively govern and manage the Company. The Directors must act in the best interests of the Company as a whole. It is the role of the Board to govern and manage the Company in accordance with the stated objectives of the Company.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors in the performance of their roles.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

**ECLIPSE METALS LIMITED
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CORPORATE GOVERNANCE STATEMENT**

The key responsibilities of the Board include:

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that the Company's practice is consistent with, a number of guidelines, being:
 - Directors and Executive Officers Code of Conduct;
 - Dealings in Securities; and
 - Reporting and Dealing with Unethical Practices.
- Reporting to and advising shareholders.

Composition of the Board

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

An independent director is a non-executive director (i.e. is not a member of management) and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
- is not a principal or employee of a professional adviser to the Company or its subsidiaries whose billings exceed a material amount of the adviser's total revenue;
- is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company are a material amount of the supplier's total revenue. A significant customer is one whose amounts payable to the Company are a material amount of the customer's total operating costs;
- has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In accordance with the definition of independence above, the following directors of the Company are considered to be independent:

Name Position

G Allan Non-Executive Chairman – Appointed 11 November 2011
S Casley Non-Executive Director – Appointed 6 July 2012
D Sanders Non-Executive Director - Resigned 6 July 2012
B Smith Non-Executive Director - Resigned 11 November 2011

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P Kelly Non-Executive Director - Resigned 11 November 2011

There are procedures in place, agreed by the Board, to enable the Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director is as follows:

Name	Term
G Allan	0 years – Appointed 11 November 2011
E P Del Fante	2 years
S Casley	0 years – Appointed 6 July 2012
M Fogarty	Resigned 25 June 2012
D Sanders	0 years - Appointed 2 December 2011 - Resigned 6 July 2012
B Smith	Resigned 11 November 2011
P Kelly	Resigned 11 November 2011

When a Board vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the service of a new director with particular skills, the Board will document the process behind a recommendation for a candidate or panel of candidates with the appropriate expertise.

The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Board Policies

Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company and if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Upon confirmation of receipt from the ASX, the Company is able to publish the information in accordance with this policy.

Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company and will be reported in writing to each Board meeting. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- Communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;

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- Giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- Making it easy for shareholders to participate in general meetings of the Company; and
- Requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and for shareholders to make enquiries of the Company.

Trading in Company Shares

The Company has a Share Trading Policy under which Directors are required to discuss their intention to trade in the Company's securities with the Chairman prior to trading. Consideration will be given in these discussions to any special circumstances (eg financial hardship).

Directors must not trade in the shares of any other entity if inside information on such entity comes to the attention of the Director by virtue of holding office as a Director of the Company.

The following guidelines are to be observed by Directors and employees of Eclipse Metals Limited:

- Securities may be purchased or sold during the two week period immediately following the release of Eclipse Metals Limited, half-yearly and final results ("results announcements") (subject to observing the additional approval requirements set out below).
- Securities should not be purchased or sold during the two week period preceding any results announcements.
- Securities should not be purchased or sold preceding any material ASX announcement by Eclipse Metals Limited, if the employee is aware that it is likely that such an announcement will be made.
- Securities should not be purchased or sold for the purpose of short term speculation.
- Securities may be purchased or sold at other times (subject to additional disclosure requirements established by the Board).

In addition, consistent with the law, designated officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company of which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Notice of an intention to trade must be given prior to trading in the Company's securities as well as a confirmation that the person is not in possession of any unpublished price sensitive information. The completion of any such trade by a Director must also be notified to the Company Secretary who in turn advises the ASX.

The Company has developed a policy regarding directors and employees trading in its securities. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Performance Review/Evaluation

The Board intends to conduct an evaluation of its performance annually. There was no evaluation conducted during the financial year.

Attestations by Company Secretary

In accordance with the Board's policy, the Company Secretary is required to make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing this Annual Report.

Board Committees

Audit & Compliance Committee

The Board has not adopted an Audit and Compliance Committee.

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company to deal with the effectiveness and efficiency of business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The responsibility for the establishment and maintenance of the internal control framework and ethical standards has been delegated to the Board. This situation will remain until the Company is of a size and undertaking the level of activity that warrants the appointment of an audit and compliance committee.

The Board's responsibilities in this area include the following:

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- Oversee and appraise the independence, quality and extent of the total audit effort;
- Perform an independent overview of the financial information prepared by Company management for shareholders and prospective shareholders;
- Evaluate the adequacy and effectiveness of the Company's and the Company's risk management and financial control, and other internal control systems and evaluate the operation thereof;
- Review and endorse the annual and half year attestation statements in accordance with regulatory requirements.
- The appointment of external auditors;
- Review and implement risk management and internal control structures appropriate to the needs of the Company;
- Monitor compliance issues applicable laws and regulations, particularly compliance with the Australian Securities Exchange Listing Rules;
- Review all public releases to the ASX of material consequence, prior to release to the market; and
- Review of Corporate Governance Practices.

Remuneration Committee

The Board has not established a formal Remuneration Committee due to the scale and nature of the Company's activities.

The full Board attends to the matters normally attended to by a Remuneration Committee. It is the Company's objective to provide maximum shareholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant market conditions. To assist in achieving this objective, the Board attempts to link the nature and amount of Directors' emoluments to the Company's performance. The outcome of the remuneration structure is:

- Reward executives for company and individual performance against appropriate benchmarks;
- Align the interests of the executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and.
- Ensure remuneration is comparable to market standards.

For details of the amount of remuneration for each of the Directors during the financial year, refer to the Directors' Report.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Directors.
For further information in relation to the remuneration of Directors, refer to the Directors' Report.

Nomination Committee

The Board has not established a formal Nomination Committee due to the scale and nature of the Company's activities.

The full Board attends to the matters normally attended to by a Nomination Committee.

The Constitution provides for events whereby Directors may be removed from the Board. Similarly shareholders have the ability to nominate, appoint and remove Directors. In addition, the Constitution provides for the regular rotation of Directors which ensures that Directors seek re-election by shareholders at least once every three years.

Given these existing regulatory requirements, Directors are not appointed for a specified term and Directors' continuity of service is in the hands of shareholders.

Company Code of Conduct

As part of its commitment to recognising the legitimate interests of Shareholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers

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Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.

Employment Practices

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

Obligations Relative to Fair Trading and Dealing

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers, competitors and other employees and encourages its employees to strive to do the same.

Responsibilities to the Community

As part of the community the Company is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs.

Responsibility to the Individual

The Company is committed to keeping private information collected during the course of its activities, confidential and protected from uses other than those for which it was provided.

Conflicts of Interest

Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

How the Company Complies with Legislation Affecting its Operations

Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

How the Company Monitors and Ensures Compliance with its Code

The Board, management and all employees of the Company are committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

Shareholder Communication

The Board aims to ensure that Shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- The Annual Financial Report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). The Board ensures that the annual report includes relevant information about the operations of the Company during the financial year, changes in the state of affairs of the Company and details of future developments, in addition to other disclosures required by the Corporations Act 2001;
- Developments, in addition to other disclosures required by the Corporations Act 2001;
- Release of a Half-Yearly Report to the Australian Stock Exchange Limited;
- The Company's website at www.eclipsemetals.com.au and
- Proposed major changes in the economic entity which may impact on share ownership rights are submitted to a vote of shareholders.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders are responsible for voting on appointment of Directors, appointment of auditors, level of remuneration of Non-Executive Directors and any matters of special business.

Risk Management

The Board recognises that the identification and management of risk, including calculated risk taking, is an essential part of creating long term shareholders' value.

Management reports directly to the Board on the Company's key risks and is responsible, through the CEO for designing, maintaining, implementing and reporting on the adequacy of the risk management and internal control systems.

The Audit and Risk Management Committee when established will monitor the performance of the risk management and internal control systems and reports to the Board on the extent to which it believes the risks are being managed and the adequacy and comprehensiveness of risk reporting from management.

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The Board must satisfy itself, on a regular basis, that risk management and internal control systems for the Company have been fully developed and implemented.

The Company has identified specific risk management areas being strategic, operational and compliance.

The Board has reviewed risks faced by the Company on a regular basis due to the potential impact of the global financial crisis.

A detailed risk identification matrix has been prepared by management. High and very high risk issues are reported to the Board. The CEO is responsible for ensuring the Company complies with its regulatory obligations. The CEO and CFO (or equivalent) also provide written assurance to the Board on an annual basis that to the best of their knowledge and belief, the declaration provided by them 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 relation to financial reporting risks.

The assurances from the CEO and CFO (or equivalent) can only be reasonable rather than absolute due to factors such as the need for judgement and possible weaknesses in control procedures.

Any material changes in the Company's circumstances are released to the ASX and included on the Company's website.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Diversity Policy

The Company recognises the positive advantages of a diverse workplace and is committed to:

- creating a working environment conducive to the appointment of well qualified employees senior management and board candidates; and
- identifying ways to promote a corporate culture which embraces diversity when determining the composition of employees, senior management and the Board.

Monitoring compliance

The Board has delegated the responsibility of monitoring and ensuring workplace diversity to the Managing Director/ Chief Executive Officer.

Recruitment

The Managing Director/ Chief Executive Officer will:

- review the recruitment and selection processes to ensure that current and potential employees are not discriminated against; and
- ensure that the selection process of its employees, senior management and the board takes into account the following factors:
 - (a) attract and retain people from equal employment opportunity target groups, and others who together make up a diverse workforce; and
 - (b) facilitate the employment of people with diverse backgrounds including gender, age and racial diversity.

Awareness, skills and development

To embrace diversity in the Company and assist in the development of a broader pool of skilled and experienced board candidates the Company will:

- provide induction, education and training to staff who are from diverse backgrounds to enhance the retention of new employees and promotion of existing employees to senior management and board positions; and
- ensure that employees, senior management and the board attend programs to increase awareness of issues in relation to the employment of staff from diverse backgrounds.

Evaluating and managing diversity

The Managing Director/ Chief Executive Officer will regularly gather information on demographics in the Company and conduct staff surveys or diversity audits to identify areas of weakness.

20% of the Company's employees were female, none of whom were part of the Board or Executive Management.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

		Consolidated Group	
		2012	2011
	Note	\$	\$
Revenue	3	85,752	33,354
Employee benefits expense and director fees	4(a)	(225,359)	(71,801)
Consultancy expenses	4(b)	(716,505)	(185,251)
Professional services expenses	4(c)	(242,373)	(238,709)
Listing costs		(45,395)	(49,394)
Travel expenses		(43,160)	(5,016)
Administration		(452,620)	(8,992)
Depreciation expense		(41,824)	(6,234)
Finance costs		(702)	-
Loss before income tax		<u>(1,682,186)</u>	<u>(532,043)</u>
Income tax expense	5	-	-
Loss from continuing operations		<u>(1,682,186)</u>	<u>(532,043)</u>
Other comprehensive income:		<u>-</u>	<u>-</u>
Other comprehensive income/(loss) for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(1,682,186)</u></u>	<u><u>(532,043)</u></u>
Loss attributable to:			
Members of the parent entity		(1,682,186)	(532,043)
Non-controlling interest		-	-
		<u>(1,682,186)</u>	<u>(532,043)</u>
Total comprehensive loss attributable to:			
Members of the parent entity		(1,682,186)	(532,043)
Non-controlling interest		-	-
		<u>(1,682,186)</u>	<u>(532,043)</u>
Loss per share			
From continuing operations:			
Basic earnings per share (cents)	8	(1.81)	(1.24)
Diluted earnings per share (cents)	8	(1.81)	(1.24)

The accompanying notes form part of these financial statements.

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012**

	Note	Consolidated Group	
		2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	851,189	2,659,179
Trade and other receivables	10	121,974	120,846
Other assets	15	740,000	-
TOTAL CURRENT ASSETS		<u>1,713,163</u>	<u>2,780,025</u>
NON-CURRENT ASSETS			
Trade and other receivables	10	-	97,758
Other financial assets	11	550,000	-
Plant and equipment	13	16,240	52,424
Deferred exploration and evaluation expenditure	14	14,041,583	10,546,419
TOTAL NON-CURRENT ASSETS		<u>14,607,823</u>	<u>10,696,601</u>
TOTAL ASSETS		<u>16,320,986</u>	<u>13,476,626</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	171,283	333,627
TOTAL CURRENT LIABILITIES		<u>171,283</u>	<u>333,627</u>
TOTAL LIABILITIES		<u>171,283</u>	<u>333,627</u>
NET ASSETS		<u>16,149,703</u>	<u>13,142,999</u>
EQUITY			
Issued capital	17	18,711,654	14,001,819
Reserves	26	21,039	41,984
Accumulated losses		(2,582,990)	(900,804)
Parent interest		16,149,703	13,142,999
Non-controlling interest		-	-
TOTAL EQUITY		<u>16,149,703</u>	<u>13,142,999</u>

The accompanying notes form part of these financial statements.

**ECLIPSE METALS LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012**

	Issued Capital	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
Consolidated Group				
Balance at 1 July 2010	5,000,002	(368,761)	-	4,631,241
Comprehensive income				
Loss for the year	-	(532,043)	-	(532,043)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>(532,043)</u>	<u>-</u>	<u>(532,043)</u>
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year	9,001,817	-	-	9,001,817
Options issued during the year	-	-	41,984	41,984
Total transactions with owners and other transfers	<u>9,001,817</u>	<u>-</u>	<u>41,984</u>	<u>9,043,801</u>
Balance at 30 June 2011	<u>14,001,819</u>	<u>(900,804)</u>	<u>41,984</u>	<u>13,142,999</u>
Balance at 1 July 2011	14,001,819	(900,804)	41,984	13,142,999
Comprehensive income				
Loss for the year	-	(1,682,186)	-	(1,682,186)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>(1,682,186)</u>	<u>-</u>	<u>(1,682,186)</u>
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year	4,867,100	-	-	4,867,100
Options issued during the year	163,735	-	(20,945)	142,790
Transaction costs	(321,000)	-	-	(321,000)
Total transactions with owners and other transfers	<u>4,709,835</u>	<u>-</u>	<u>(20,945)</u>	<u>4,688,890</u>
Balance at 30 June 2012	<u>18,711,654</u>	<u>(2,582,990)</u>	<u>21,039</u>	<u>16,149,703</u>

The accompanying notes form part of these financial statements.

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated Group	
Note	2012	2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	29,996	33,354
Consultancy fee received	5,416	-
Income tax received	2,711	-
Payments to suppliers and employees	(1,440,186)	(206,248)
Finance costs	(702)	-
Income tax paid	(3,461)	-
Net cash (used in) operating activities	21a <u>(1,406,226)</u>	<u>(172,894)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from acquisition of subsidiary	1,289	-
Purchase of available-for-sale investments	(500,000)	-
Payments for exploration and evaluation expenditure	(875,969)	(541,554)
Payment of environmental bonds	-	(60,048)
Payment of deposit for leased premises	-	(37,710)
Payment for plant and equipment	(38,919)	(44,260)
Loans to other entities	(740,000)	-
Net cash (used in) investing activities	<u>(2,153,599)</u>	<u>(683,572)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares & options	1,997,835	4,053,400
Share issue costs	(246,000)	(147,583)
Repayment of advances from Dourado Resources Limited	-	(406,136)
Net cash provided by financing activities	<u>1,751,835</u>	<u>3,499,681</u>
Net (decrease)/increase in cash held	(1,807,990)	2,643,215
Cash and cash equivalents at beginning of financial year	9 <u>2,659,179</u>	<u>15,964</u>
Cash and cash equivalents at end of financial year	9 <u><u>851,189</u></u>	<u><u>2,659,179</u></u>

The accompanying notes form part of these financial statements.

**ECLIPSE METALS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

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

The financial statements were authorised for issue on 27 September 2012 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Going concern

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

As disclosed in the financial statements, the company and consolidated entity incurred losses of \$1,671,820 and \$1,682,186 respectively for the year ended 30 June 2012. The consolidated entity had net cash outflows from operating activities of \$1,406,226 and payments for exploration and evaluation activities of \$875,969 for the year ended 30 June 2012. Subsequent to 30 June 2012, the consolidated entity entered into the following transactions:

- Conversion of loan receivable of \$600,000 due from Dourado Resources Limited to shares, which will be held as an available-for-sale financial asset;
- Conversion of loan receivable of \$90,000 due from Walla Mines Limited to shares, which will be held as an available-for-sale financial asset; and
- Provision of loan funding to Klondyke Gold Limited of \$650,000, in accordance with a funding agreement, further details of which are disclosed in Note 23 of the financial statements.

Furthermore, as disclosed in Note 18 of the financial statements, the consolidated entity has exploration expenditure commitments of \$706,000 and other commitments of \$80,000 for the year ended 30 June 2013.

The above factors indicate significant uncertainty as to whether the company and consolidated entity 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 there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The ability to issue additional shares under the *Corporation Act 2001* to raise further working capital; and
- The consolidated entity has the ability to scale down its operations in order to curtail expenditure, in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern 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 consolidated entity does not continue as a going concern.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Eclipse Metals Limited (Formerly Eclipse Uranium Limited) at the end of the reporting period. A controlled entity is any entity over which Eclipse Metals Limited (Formerly Eclipse Uranium Limited) has the ability and right to govern the financial and operating policies 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 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. A list of controlled entities is contained in Note 12 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated 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

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	33.33% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred 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 or 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.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

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(e) 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 company 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.

(i) Financial assets at fair value through profit or loss

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.

(ii) Loans and receivables

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.

(iii) 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.

(iv) 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.

(v) 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.

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Derecognition

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.

(f) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(h) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(j) Revenue and Other Income

Interest revenue is recognised using the effective interest method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

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(o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

(i) Impairment - General

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgments

(i) Provision for Impairment of Receivables

Included in trade receivables at the end of the reporting period is an amount receivable for rental oncharges included in the previous years financial statements amounting to \$20,993. The debt has remained outstanding beyond the company's normal terms, therefore a provision for impairment has been made.

(ii) Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$14,041,583.

(p) 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. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- *AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [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] (applicable for annual reporting periods commencing on or after 1 January 2013).*

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- *AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).*

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Group.

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- *AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [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] (applicable for annual reporting periods commencing on or after 1 January 2013).*

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.

The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either 'joint operations' (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures' (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a 'structured entity', replacing the 'special purpose entity' concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- *AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).*

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Group.

- *AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).*

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Group.

- *AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).*

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

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Note 2 Parent Information

	2012	2011
	\$	\$
The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.		
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	2,045,731	3,015,843
Non-current Assets	14,282,739	10,464,673
TOTAL ASSETS	16,328,470	13,480,516
LIABILITIES		
Current Liabilities	164,509	333,627
Non-current Liabilities	-	-
TOTAL LIABILITIES	164,509	333,627
NET ASSETS	16,163,961	13,146,889
EQUITY		
Issued Capital	18,711,654	14,001,818
Accumulated losses	(2,568,732)	(896,913)
Reserves	21,039	41,984
TOTAL EQUITY	16,163,961	13,146,889
STATEMENT OF COMPREHENSIVE INCOME		
Total (loss) for the year	(1,671,820)	(528,151)
Other comprehensive income	-	-
Total comprehensive (loss)	(1,671,820)	(528,151)

Guarantees

Eclipse Metals Limited 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 as the reporting date.

Contractual commitments

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment (2011 : \$Nil).

Note 3 Revenue and Other Income

	Consolidated Group	
	2012	2011
	\$	\$
(a) Revenue from continuing operations		
Sales revenue		
— Consultancy fees	5,416	-
	5,416	-
Other revenue		
— interest received - bank interest	34,881	33,354
— Option based payment	45,455	-
	80,336	33,354
Total revenue	85,752	33,354
(b) Total revenue and other income from continuing operations		
Attributable to members of the parent entity	85,752	33,354
Attributable to non-controlling interests	-	-
	85,752	33,354

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Note 4 Expenses

		Consolidated Group	
		2012	2011
		\$	\$
(a)	Employee benefits expense and director fees		
	— Wages and salaries	298,235	145,312
	— Directors fees	144,000	50,000
	— Share based payments	(20,944)	41,984
	— Other employee benefits	57,774	17,693
	— Capitalised to exploration and evaluation expenditure	(253,706)	(183,188)
		<u>225,359</u>	<u>71,801</u>
		<u>225,359</u>	<u>71,801</u>
(b)	Consultancy expenses		
	— Consulting fees	120,000	45,000
	— Corporate advisory	438,505	27,655
	— Project evaluation	-	24,473
	— Other	158,000	88,123
		<u>716,505</u>	<u>185,251</u>
		<u>716,505</u>	<u>185,251</u>
(c)	Professional services expenses		
	— Secretarial fees	66,046	145,062
	— Legal fees	71,399	77,007
	— Marketing and public relations fees	32,263	35,628
	— Other Services	48,315	34,824
	— GST recoverd from prior year transaction	-	(53,812)
	— Taxation advice	24,350	-
		<u>242,373</u>	<u>238,709</u>
		<u>242,373</u>	<u>238,709</u>

Note 5 Income Tax Expense

		Consolidated Group	
		2012	2011
		\$	\$
(a)	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
(b)	The prima facie tax on profit/(loss) from continuing operations before income tax is reconciled to the income tax expense as follows:		
	Prima facie tax (benefit)/expense on profit/(loss) from continuing operations at 30% (2011: 30%)		
	— consolidated group	(504,656)	(159,613)
	Add:		
	Tax effect of:		
	— Other non-deductable items	6,043	3,905
	— Share based payments	47,400	-
		<u>53,443</u>	<u>3,905</u>
		<u>53,443</u>	<u>3,905</u>
	Less:		
	Tax effect of:		
	— Director share based payments	6,283	-
	— Other non-assessable items	4,991	-
		<u>11,274</u>	<u>-</u>
		<u>11,274</u>	<u>-</u>
	Deferred Tax Asset (DTA) on temporary differences and tax losses not brought to account	439,939	155,708
	Income tax attributable to entity	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	The applicable weighted average effective tax rates are as follows:	0.0%	0.0%

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	Consolidated Group	
	2012	2011
(c) Deferred tax assets not brought to account at reporting date	\$	\$
Temporary differences	62,155	3,870
Tax losses:		
— Operating losses	1,109,147	396,421
— Capital losses	-	-
	1,171,302	400,291
Deferred tax liabilities		
Temporary differences	406,566	148,530
Net deferred tax asset not brought to account	764,736	251,761

The deferred tax asset not brought to account will only be obtained if:

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (c) the company is able to meet the continuity of business and or continuity of ownership tests.

Note 6 Key Management Personnel Compensation

(a) Details of key management

(i) Directors

G Allan	(Non Executive Chairman)	(appointed 11/11/11)
E P Del Fante	(Executive Director)	(appointed 14/05/08)
S Casley	(Non Executive Director)	(appointed 06/07/12)
M Fogarty	(Executive Director)	(appointed 03/03/10, resigned 25/06/12)
D Sanders	(Non Executive Director)	(appointed 02/12/11, resigned 06/07/12)
B Smith	(Non Executive Director)	(appointed 03/03/10, resigned 11/11/11)
P Kelly	(Non Executive Director)	(appointed 03/03/10, resigned 11/11/11)

(ii) Executives

E P Del Fante	(Executive Director)	(appointed 14/5/08)
M Fogarty	(Executive Director)	(appointed 03/03/10, resigned 25/06/12)

Remuneration of key management personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2012.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2012	2011
	\$	\$
Short-term employee benefits	307,333	195,312
Post-employment benefits	14,100	13,078
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	9,590	41,984
Total KMP compensation	331,023	250,374

(b) Compensation of directors

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

Remuneration Committee

The Company does not have a formal Remuneration Committee. The full Board attends to the matters normally attended to by the Remuneration Committee.

Director Remuneration

Shareholder approval is obtained in relation to the overall limit set for directors' fees. The directors must set individual Board fees within the limit approved by shareholders.

The level of the fees is not linked to directors' performance. Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration was approved at a meeting of shareholders on the 25 November 2011.

Further, Shareholders must approve the framework for any equity schemes and if a director is remunerated for being able to participate in an equity scheme, this participation must be approved by the shareholders.

Senior Management and Executives

Mr Del Fante and Mr Forarty held the positions of Managing Director through out the year. The company entered into an Executive Service Agreement with each of the individuals.

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(c) KMP Shareholdings

The number of ordinary shares in Eclipse Metals Limited held by each KMP of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2012					
Mr Graeme Allan	-	-	-	-	-
Mr Emilio Pietro Del Fante	-	-	-	-	-
Mr Shane Casley	-	-	-	-	-
Mr Mark Fogarty	20,000	-	-	-	20,000
Mr David Sanders	-	-	-	-	-
Mr Brett Smith	-	-	-	-	-
Mr Paul Kelly	10,000	-	-	-	10,000
	<u>30,000</u>	-	-	-	<u>30,000</u>

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2011					
Mr Graeme Allan	-	-	-	-	-
Mr Emilio Pietro Del Fante	-	-	-	-	-
Mr Shane Casley	-	-	-	-	-
Mr Mark Fogarty	-	-	-	20,000	20,000
Mr David Sanders	-	-	-	-	-
Mr Brett Smith	-	-	-	-	-
Mr Paul Kelly	-	-	-	10,000	10,000
	-	-	-	<u>30,000</u>	<u>30,000</u>

(d) KMP Options Holdings

The number of options over ordinary shares held during the financial year by each KMP of the Group is as follows:

	Balance at beginning of year	Acquired during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
30 June 2012								
Mr Graeme Allan	-	-	-	-	-	-	-	-
Mr Emilio Pietro Del	150,000	-	-	-	150,000	-	-	-
Mr Shane Casley	-	-	-	-	-	-	-	-
Mr Mark Fogarty	250,000	10,000	-	(250,000)	10,000	-	-	-
Mr David Sanders	-	-	-	-	-	-	-	-
Mr Brett Smith	150,000	-	-	(150,000)	-	-	-	-
Mr Paul Kelly	-	5,000	-	-	5,000	-	-	-
	<u>550,000</u>	<u>15,000</u>	-	<u>(400,000)</u>	<u>165,000</u>	-	-	-

	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
30 June 2011								
Mr Graeme Allan	-	-	-	-	-	-	-	-
Mr Emilio Pietro Del	-	150,000	-	-	150,000	-	-	-
Mr Shane Casley	-	-	-	-	-	-	-	-
Mr Mark Fogarty	-	250,000	-	-	250,000	-	-	-
Mr David Sanders	-	-	-	-	-	-	-	-
Mr Brett Smith	-	150,000	-	-	150,000	-	-	-
Mr Paul Kelly	-	-	-	-	-	-	-	-
	-	<u>550,000</u>	-	-	<u>550,000</u>	-	-	-

Other KMP Transactions

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

For details of other transactions with KMP, refer to Note 24: Related Party Transactions.

For details of loans to KMP, refer to Note 24: Related Party Transactions.

Note 7 Auditors' Remuneration

The auditor of Dourado Resources Limited is RSM Bird Cameron Partners.

Remuneration of the auditor for:

— Auditing or reviewing the financial report of the entity and any other entity of the Group

Consolidated Group	
2012	2011
\$	\$
28,000	15,000
<u>28,000</u>	<u>15,000</u>

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Note 8 Earnings per Share

	Consolidated Group	
	2012	2011
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Loss for the year	(1,682,186)	(532,043)
Profit (Loss) attributable to non-controlling equity interest	-	-
Earnings used to calculate basic EPS	(1,682,186)	(532,043)
Earnings used in the calculation of dilutive EPS	<u>(1,682,186)</u>	<u>(532,043)</u>
	Number	Number
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<u>92,841,760</u>	<u>42,867,052</u>
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>92,841,760</u>	<u>42,867,052</u>

Note 9 Cash and Cash Equivalents

	Note	Consolidated Group	
		2012	2011
		\$	\$
Cash at bank and on hand		851,189	2,659,179
	25	<u>851,189</u>	<u>2,659,179</u>

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

Note 10 Trade and Other Receivables

	Consolidated Group	
	2012	2011
	\$	\$
CURRENT		
Trade receivables	21,084	39,320
Provision for impairment	(20,993)	-
Other receivables (i)	61,085	45,563
Prepayments	750	35,963
Rehabilitation bonds	60,048	-
Total current trade and other receivables	<u>121,974</u>	<u>120,846</u>
NON-CURRENT		
Deposit (leased premises)	-	37,710
Rehabilitation bonds	-	60,048
Total non-current trade and other receivables	<u>-</u>	<u>97,758</u>

(i) Other receivables are non-interest bearing and expected to be received in 30 days.

Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 10. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

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 Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2012	\$	\$	\$	\$	\$	\$	\$
Trade and term receivables	21,084	(20,993)	-	-	-	91	-
Other receivables	61,085	-	-	-	-	-	61,085
Prepayment	750	-	-	-	-	-	750
Rehabilitation bonds	60,048	-	-	-	-	-	60,048
Total	<u>142,967</u>	<u>(20,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91</u>	<u>121,883</u>
2011	\$	\$	\$	\$	\$	\$	\$
Trade and term receivables	39,320	-	-	-	-	-	39,320
Other receivables	45,563	-	-	-	-	-	45,563
Prepayment	35,963	-	-	-	-	-	35,963
Total	<u>120,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,846</u>

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		Consolidated Group	
		2012	2011
		\$	\$
(a) Financial Assets Classified as Receivables	Note		
Trade and other Receivables			
— Total current		121,974	120,846
— Total non-current		-	97,758
Financial assets	25	121,974	218,604

Note 11 Other Financial Assets

		Consolidated Group	
		2012	2011
		\$	\$
NON-CURRENT			
Financial assets	11a	550,000	-
Total non-current assets		550,000	-

(a) **Financial assets**

NON-CURRENT

Unlisted investments, at cost

- Shares in other corporations (i)
- Options in other corporations (ii)

500,000	-
50,000	-
550,000	-

25

(i) On 24 November 2011 the Company acquired 5,000,000 shares in Klondyke Gold Limited. This shareholding is subject to a twenty-four (24) month escrow from the date of their ASX listing.

(ii) On 10 April 2012 the Company acquired 5,000,000 Unlisted Options in Walla Mines Limited as part of a loan fee. The Options are exercisable at \$0.20 and expire on the 30 November 2015.

Note 12 Controlled Entities

(a) **Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)*	
		2012	2011
Subsidiaries of Eclipse Metals Limited:			
North Minerals Pty Limited	Australia	100.00	100.00
Central Energy Pty Limited	Australia	100.00	0.00
Whitvista Pty Limited	Australia	100.00	0.00
U308 Agencies Australia Pty Limited	Australia	100.00	0.00

* Percentage of voting power is in proportion to ownership

(b) **Acquisition of Controlled Entities**

Central Energy Pty Limited, Whitvista Pty Limited and U308 Agencies Australia Pty Limited

On 4 January 2012, the Company announced it had acquired the all of the issued share capital and Options of Central Energy Pty Limited ("Central") together with its 100% owned subsidiaries being Whitvista Pty Limited and U308 Agencies Australia Pty Limited.

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 the company. The total cost of the acquisition was \$2,800,000 and comprised an issue of equity instruments. The Company 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 Metals Limited 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	
Cash payment	-
Shares issued at fair value	2,800,000
	2,800,000

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Note 13 Plant and Equipment

	Consolidated Group	
	2012	2011
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	31,306	58,945
Accumulated depreciation	(15,066)	(6,521)
Total plant and equipment	16,240	52,424

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment \$	Total \$
Consolidated Group:		
Balance at 1 July 2010	14,398	14,398
Additions	44,260	44,260
Depreciation expense	(6,234)	(6,234)
Balance at 30 June 2011	52,424	52,424
Balance at 1 July 2011	52,424	52,424
Additions	5,640	5,640
Depreciation expense	(41,824)	(41,824)
Balance at 30 June 2012	16,240	16,240

Note 14 Exploration and Evaluation Expenditure

	Consolidated Group	
	2012	2011
	\$	\$
Balance at beginning of year	10,546,419	5,004,865
Additions	693,390	541,554
Acquisition from Cauldron Energy Limited	-	5,000,000
Acquired on purchase of Central Energy Pty Ltd and it's controlled subsidiaries	2,801,774	-
Balance at end of year	14,041,583	10,546,419

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 Company has an interest in certain exploration tenements and the amounts shown above include amounts expanded to date in the acquisition and/or exploration of these tenements.

Impairment

Exploration and Evaluation Expenditure of \$NIL (2011: \$NIL) was written off to the consolidated statement of comprehensive income.

Note 15 Other Assets

	Note	Consolidated Group	
		2012	2011
		\$	\$
CURRENT			
Loans receivable	15(a)	740,000	-
		740,000	-

(a) Loans receivable

CURRENT

Loans receivable, at cost

— Walla Mines Limited (i)	90,000	-
— Klondyke Gold Limited (ii)	50,000	-
— Dourado Resources Limited (iii)	600,000	-
	740,000	-

- (i) On 13 January 2012, the Company entered into a loan agreement with Walla Mines Limited. 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 Company has the option to convert the loan to shares in the borrower issued at \$0.05 cents each.
- (ii) On 10 July 2012, the Company announced it had entered into a \$700,000 loan agreement with Klondyke Gold Limited. \$50,000 of this funding agreement had been utilised prior to 30 June 2012. Refer to Note 23: Events after reporting date.
- (iii) On 29 June 2012, the Company announced it had entered into a \$600,000 loan agreement with Dourado Resources Limited. The Company has also agreed to underwrite a Share Purchase Plan of Dourado Resources Limited. Funds raised under the Share Purchase Plan will be used to repay the loan together with interest at 6% per annum, with the Company taking up in shares any shortfall in the funds advanced through its underwriting commitment.

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Note 16 Trade and Other Payables

	Consolidated Group	
	2012	2011
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	60,371	311,785
Accruals and other payables	110,912	21,842
	171,283	333,627

		Consolidated Group	
	Note	2012	2011
		\$	\$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total current		171,283	333,627
Financial liabilities as trade and other payables	25	171,283	333,627

Note 17 Issued Capital

	Consolidated Group	
	2012	2011
	\$	\$
Ordinary shares issued and fully paid (a)	18,547,919	14,001,819
Options issued (b)	163,735	-
Issued capital	18,711,654	14,001,819

	Consolidated Group	
	Number	\$
(a) Ordinary Shares		
At 1 July 2010	25,000,000	5,000,002
Shares issued during the year		
— Issued pursuant to Initial Public Offering	20,347,000	4,069,400
— Issued as consideration for services rendered	400,000	80,000
— Issued as consideration for tenements acquired	25,000,000	5,000,000
— Share issue costs	-	(147,583)
At the end of the reporting period - 30 June 2011	70,747,000	14,001,819
At 1 July 2011	70,747,000	14,001,819
Shares issued during the year		
— Issued on 6 July 2011 for services rendered to the Company	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)
At the end of the reporting period - 30 June 2012	139,145,308	18,547,919

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.

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	Consolidated Group	
	Number	\$
(b) Options Issued		
At 1 July 2010	550,000	-
Options issued during the year	-	-
At the end of the reporting period - 30 June 2011	550,000	-
At 1 July 2011	550,000	-
Options issued during the year		
— Issued on 26 July 2011 for Non-renouncable entitlement offer	3,604,749	36,047
— Issued on 15 August 2011 for Non-renouncable entitlement offer	5,268,751	52,688
— Issued on 18 May 2012 for cash pursuant to placement, 1:2 free attaching option	5,287,491	-
— Issued on 25 June 2012 for cash pursuant to placement, 1:2 free attaching option	10,621,674	-
— Issued on 25 June 2012 for services rendered to the Company	5,000,000	75,000
— Employee share options forfeitted during the year	(400,000)	-
At the end of the reporting period - 30 June 2012	29,932,665	163,735

(c) Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value 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.

Note 18 Capital and Other Commitments

(a) Exploration expenditure commitments

Exploration commitments for granted tenement licences of the consolidated entity total \$706,000 per annum.

(b) Operating Lease Commitments

The consolidated entity has entered into a two year commercial property rental lease agreement. Future minimum rental payable under this non-cancellable operating lease is as follows:

Payable — minimum lease payments

	Consolidated Group	
	2012	2011
	\$	\$
— not later than 12 months	-	81,990
— between 12 months and 5 years	-	44,065
— later than 5 years	-	-
	-	126,055

On 1 September 2011, the Company vacated the premises and entered into a Deed of Assignment of Lease.

(c) Other Commitments

As part of the Capital Raising completed in May & June 2012, the Company has an outstanding fee commitment of \$10,000 per month for the next eight (8) months totalling \$80,000.

There are no other capital or lease commitments at the reporting date.

Note 19 Contingent Liabilities and Contingent Assets

Contingent Assets

There are no contingent assets at reporting date.

Contingent Liabilities

There are no contingent liabilities at reporting date.

Note 20 Operating Segments

Segment Information

Identification of reportable segments

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

The group is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

No operating revenue was derived during the year (2011 - nil).

All the assets are located in Australia only.

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Note 21 Cash Flow Information

	Consolidated Group	
	2012	2011
	\$	\$
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
(Loss) after income tax	(1,682,186)	(532,043)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in profit		
Option based payment received	(45,455)	-
Depreciation of plant and equipment	41,824	6,234
Share based payments	137,056	121,984
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	59,221	(102,696)
Increase in trade and other payables	83,314	333,627
Cash flow used in operations	<u>(1,406,226)</u>	<u>(172,894)</u>
(b) Non-cash Financing and Investing Activities		
(i) Share issue and Options Issued		
Settlement of subsidiary acquisition with equity	2,800,000	-
Settlement of tenement acquisition with equity	-	5,000,000
Settlement of service acquired with equity	233,000	80,000
	<u>3,033,000</u>	<u>5,080,000</u>

Note 22 Share-based Payments

The costs arising from share based payment transactions recognised during the year were as follows:

	Consolidated Group	
	2012	2011
	\$	\$
Options issued to Directors (a)	9,590	41,984
Shares issued for services rendered (b)	158,000	80,000
Shares issued to acquire exploration assets (c)	2,800,000	5,000,000
Options issued for services rendered (d)	75,000	-
	<u>3,042,590</u>	<u>5,121,984</u>

- (a) Upon the successful listing on the Australian Stock Exchange, the Directors of Eclipse Metals Limited were issued options in the company (refer note 26).
(b) On 6 July 2012 1,580,000 fully paid ordinary shares were issued for services received by the company (refer note 17)
(c) On 4 January 2012 the company issued 35,000,000 for the acquisition of Central Energy Pty Limited (refer note 12).
(d) On 25 June 2012 5,000,000 options were issued for services received by the company (refer note 17)

A summary of the movements of all company options granted to Directors is as follows:

	Consolidated Group	
	Number	Weighted average exercise price
Options outstanding as at 30 June 2010	-	-
Granted	550,000	\$0.20
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2011	<u>550,000</u>	<u>\$0.20</u>
Options outstanding as at 1 July 2011	550,000	\$0.20
Granted	-	-
Forfeited (i)	(400,000)	\$0.20
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2012	<u>150,000</u>	<u>\$0.20</u>

Options exercisable as at 30 June 2012:	-	-
Options exercisable as at 30 June 2011:	-	-

- (i) Mr Mark Fogarty forfeited 250,000 Unlisted 20 cent Options expiring on 30 November 2015 upon his resignation
(ii) Mr Brett Smith forfeited 150,000 Unlisted 20 cent Options expiring on 30 November 2015 upon his resignation

The weighted average remaining contractual life of options outstanding at year end was 3.3 years. The exercise price of outstanding shares at the end of the reporting period was \$0.20.

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

Included under employee benefits expense in the statement of comprehensive income is \$(20,944) which relates to equity settled share based payment transactions (2011: \$41,984)

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 23 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

- (i) On 13 September 2012 the Company took up its entitlement of shares as the underwriter of the Share Purchase Plan announced by Dourado Resources Limited. The Company received 12,929,389 shares at \$0.04192 per share.
- (ii) On 10 July 2012 the Company announced that it had entered into a funding agreement with Klondyke Gold Limited ("Klondyke") on the following terms:
- 1 Eclipse Metals Limited will provide a draw-down facility of up to \$700,000.
 - 2 Eclipse Metals Limited has the right to secure the loan by way of mortgage over all tenements held by Klondyke or its subsidiaries.
 - 3 Interest at a rate of 10% per annum will be paid monthly in arrears and on termination of the Loan Facility Agreement.
 - 4 The first \$50,000 component of the loan is convertible at Eclipse Metals Limited's option at \$0.05 per share with advances thereafter to a maximum of \$700,000 in total is convertible at Eclipse Metals Limited's option at \$0.20 per share.
 - 5 The Loan Facility agreement will terminate on 30 November 2012, or such earlier date appointed by Eclipse.
 - 6 Eclipse Metals Limited can appoint a Director to the board of Klondyke.
 - 7 Eclipse Metals Limited will receive 10,000,000 options as a commitment fee, exercisable at \$0.20 on or before 30 November 2015.
- (iii) On 17 September 2012 the Company announced that it has converted the Walla Mines Limited \$90,000 loan to 1,890,000 fully paid ordinary shares. Additionally, the Company announced that it had acquired a further 4,000,000 shares and 2,500,000 options in Walla Mines Limited exercisable at \$0.20 cents on or before 30 November 2015, in consideration of the issue of 7,200,000 fully paid ordinary shares and 3,750,000 options in the Company exercisable at \$0.06 cents per option on or before the 30 November 2016. The Company also proposes to acquire Contour Resources Pty Ltd, the largest share holder in Walla Mines Limited subject to various conditions. The Company intends to seek shareholder approval for the acquisition of Contour Resources Pty Ltd at its 2012 Annual General Meeting.

Note 24 Related Party Transactions

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

i. **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 6: Interests of Key Management Personnel Compensation.

ii. **Entities subject to significant influence by the Group:**

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. **Other Related Parties**

Other related parties include entities controlled by the ultimate parent entity and 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:

	Consolidated Group	
	2012	2011
	\$	\$
i. Associated Companies		
Purchase of services		
Management fees paid to Dourado Resources Limited	-	50,141
Administrative charge paid to Dourado Resources Limited	1,625	-
	1,625	50,141
Loans to associated entities		

On 13 January 2012, the Company entered into a loan agreement with Walla Mines Limited. 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 Company has the option to convert the loan to shares in the borrower issued at \$0.05 cents each.

On 10 July 2012, the Company announced it had entered into a \$700,000 loan agreement with Klondyke Gold Limited. \$50,000 of this funding agreement had been utilised prior to 30 June 2012.

On 29 June 2012, the Company announced it had entered into a \$600,000 loan agreement with Dourado Resources Limited. The Company has also agreed to underwrite a Share Purchase Plan of Dourado Resources Limited. Funds raised under the Share Purchase Plan will be used to repay the loan together with interest at 6% per annum, with the Company taking up in shares any shortfall in the funds advanced through its underwriting commitment.

ii **Director Related Entities**

Payment for Director Services

	Director	Entity	Service		
	Mr Emilio Pietro Del Fante	Corporate Tenement Services & Sorna Pty Limited	Director Services	48,000	18,000
	Mr Brett Smith	Topaz Corporate Pty limited	Director Services	18,000	16,000
	Mr Paul Kelly	PAKF Enterprises Pty Limited	Director Services	18,000	16,000

iii **Other Entities**

In 2012 an amount totalling \$71,399 was payable to Bennet and Co Corporate and Commercial Law . Mr Sanders is a principal of this firm.

ECLIPSE METALS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 25 Financial Risk Management

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and loans.

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 to these financial statements, are as follows:

	Note	Consolidated Group	
		2012	2011
		\$	\$
Financial Assets			
Cash and cash equivalents	9	851,189	2,659,179
Receivables	10a	121,974	218,604
Other financial assets			
— unlisted investments	11a	550,000	-
Loans receivable	15a	740,000	-
Total Financial Assets		<u>2,263,163</u>	<u>2,877,783</u>
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	16a	171,283	333,627
Total Financial Liabilities		<u>171,283</u>	<u>333,627</u>

Specific Financial Risk Exposures and Management

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.

a. Credit risk

The Group's policy is to trade only with recognised, creditworthy third parties.

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

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Credit Risk Exposures

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 in Note 10.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 10.

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-.

	Note	Consolidated Group	
		2012	2011
		\$	\$
Cash and cash equivalents			
- AA Rated		851,189	2,659,179
	9	<u>851,189</u>	<u>2,659,179</u>

**ECLIPSE METALS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

b. 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
- only investing surplus cash with major financial institutions

The table below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	171,283	333,627	-	-	-	-	171,283	333,627
Total expected outflows	171,283	333,627	-	-	-	-	171,283	333,627
	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets - cash flows realisable								
Cash and cash equivalents	851,189	2,659,179	-	-	-	-	851,189	2,659,179
Trade and other receivables	121,974	120,846	-	-	-	-	121,974	120,846
Other assets	740,000	-	-	-	-	-	740,000	-
Other financial assets	550,000	-	-	-	-	-	550,000	-
Total anticipated inflows	2,263,163	2,780,025	-	-	-	-	2,263,163	2,780,025
Net inflow on financial instruments	2,091,880	2,446,398	-	-	-	-	2,091,880	2,446,398

c. Market Risk

i. 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.

ii. Market price risk

Equity price risk arises from the Other 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.

Year ended 30 June 2012	Consolidated Group	
	Profit	Equity
	\$	\$
+/- 1% (100 basis points) in interest rates	+/- 8,512	+/- 8,512
+/- 5% (500 basis points) in Unlisted investments	+/- 27,500	+/- 27,500
Year ended 30 June 2011	Consolidated Group	
	Profit	Equity
	\$	\$
+/- 1% (100 basis points) in interest rates	+/- 26,572	+/- 26,572

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Fair Values

Fair value estimation

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 statement.

	Note	2012		2011	
		Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Consolidated Group					
Financial assets					
Cash and cash equivalents	(i)	851,189	851,189	2,659,179	2,659,179
Trade and other receivables	(i)	121,974	121,974	218,604	218,604
Loans receivable	(ii)	740,000	740,000	-	-
<i>Other financial assets:</i>					
- at cost					
- unlisted investments		550,000	550,000	-	-
Total Other financial assets	(iii)	550,000	550,000	-	-
Total financial assets		2,263,163	2,263,163	2,877,783	2,877,783
Financial liabilities					
Trade and other payables	(i)	171,283	-	333,627	-
Total financial liabilities		171,283	-	333,627	-

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 (6) months 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 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 Group

2012	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets:				
<i>Other financial assets:</i>				
- unlisted investments	-	550,000	-	550,000
	-	550,000	-	550,000

2011	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets:				
<i>Other financial assets:</i>				
- unlisted investments	-	-	-	-
	-	-	-	-

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.

**ECLIPSE METALS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 26 Reserves

a. Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

i. Analysis of Each Class of Reserves

	Consolidated Group	
	2012	2011
	\$	\$
Share based payments reserve	21,039	41,984
Movements:	No. of options	\$
Balance at 1 July 2010	-	-
Options issued to Directors (i)	550,000	41,984
Balance at 30 June 2011	550,000	41,984
Balance at 1 July 2011	550,000	41,984
Value of Options issued to Directors	-	9,590
Options forfeited (ii)	(400,000)	(30,535)
Balance at 30 June 2012	150,000	21,039

(i) 550,000 Unlisted Directors' Options with an exercise price of \$0.20 per Options exercisable on or before 30 November 2015 were issued upon successful listing of Eclipse on the Australian Stock Exchange.

(ii) 400,000 Unlisted Directors' Options were forfeited on the resignation of Mr Mark Fogarty and Mr Brett Smith as Directors.

Note 27 Economic Dependency

All controlled entities within the Group are dependent upon Eclipse Metals Limited for all business funding.

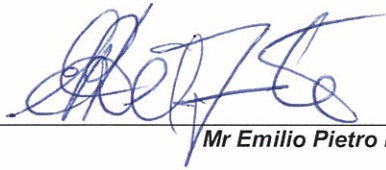
**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Eclipse Metals Limited (Formerly Eclipse Uranium Limited), the directors of the company declare that:

1. the financial statements and notes, as set out on pages 19 to 43, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to S.295(5) of the Corporation Act 2001.

Director



Mr Emilio Pietro Del Fante

Dated this 27th day of September 2012

**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 2012, the consolidated statement of 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 1, 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.

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 2012 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 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company and consolidated entity incurred losses of \$1,671,820 and \$1,682,186 respectively for the year ended 30 June 2012. The consolidated entity also had net cash outflows from operating activities of \$1,406,226 for the year ended 30 June 2012. These conditions, along with other matters as set forth in Note 1, 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

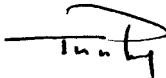
We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility 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 2012 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 27 September 2012

**ECLIPSE METALS LIMITED
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AND CONTROLLED ENTITIES**

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only. The information is current as at 6 September 2012.

1. **Shareholding**

a. **Distribution of Shareholders**

(i) *Ordinary share capital*

- 139,145,308 fully paid shares held by 504 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

Category (size of holding)	Class of Equity Security	
	Number of	Fully Paid Ordinary Shares
1 – 1,000	40	2,403
1,001 – 5,000	9	35,699
5,001 – 10,000	154	1,518,145
10,001 – 100,000	172	9,659,857
100,001 – and over	129	127,929,204
	504	139,145,308

(ii) *Listed Options*

Category (size of holding)	Class of Equity Security	
	Number of	Listed Options
1 – 1,000	-	-
1,001 – 5,000	64	315,710
5,001 – 10,000	7	60,265
10,001 – 100,000	49	1,619,524
100,001 – and over	20	6,878,001
	140	8,873,500

b. The number of shareholdings held in less than marketable parcels is 204.
The number of optionholdings held in less than marketable parcels is 105.

c. The names of the substantial shareholders listed in the holding company's register are:

<i>Ordinary Shares</i>	Number held	Percentage
Dourado Resources Limited	27,000,000	19.40
Cauldron Energy Limited	26,020,000	18.70
Jemamebe Pty Ltd	8,286,252	5.96

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
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e. 20 Largest holders of quoted equity securities (fully paid ordinary shares)

Name	Number held	Percentage %
1. Dourado Resources Limited	27,000,000	19.40
2. Cauldron Energy Limited	25,000,000	17.97
3. Cauldron Energy Limited	1,020,000	0.73
4. Jemamebe Pty Limited	8,286,252	5.96
5. Perdignus Pty Limited	5,205,752	3.74
6. Okewood Pty Limited	5,000,000	3.59
7. Hochin Inv Pty Limited	4,500,000	3.23
8. Idre Holdings Pty Limited	3,000,000	2.16
9. Ganbaru Pty Limited	2,030,000	1.46
10. Georgiamia Pty Limited	1,500,000	1.08
11. Glentham Sporting Product S/F A/C	1,333,333	0.96
12. Tulasi Gold Pty Limited	1,250,000	0.90
13. Dempsey Res Pty Limited	1,250,000	0.90
14. Faulkner Faye	1,250,000	0.90
15. O'Brien Brendan M + CK	1,166,667	0.84
16. Gardiner Terry James	1,149,525	0.83
17. Aust Executor Ttees Limited	1,083,333	0.78
18. Cunningham Peterson Sharb	1,024,000	0.74
19. Coogan Elizabeth Anne	1,000,000	0.72
20. Coogan Elizabeth Anne	1,000,000	0.72
	94,048,862	67.61

f. 20 Largest holders of quoted equity securities (listed options)

Name	Number held	Percentage %
1. Twofivetwo Pty Limited	1,175,000	13.24
2. Lake Springs Pty Limited	1,000,000	11.27
3. McNeil Nom Pty Limited	500,000	5.63
4. Molyneux Sally Judith	500,000	5.63
5. Richsham Nom Pty Limited	500,000	5.63
6. Oldfield Christopher B	400,000	4.51
7. Mount Street Inv Pty Limited	300,000	3.38
8. Gardiner Terry J + TJ	268,751	3.03
9. Meneghello Danny	250,000	2.83
10. Subiaco Asset Mgnt Pty Limited	230,000	2.59
11. Ganbaru Pty Limited	225,000	2.54
12. Barclay Wells Limited	204,250	2.30
13. NKH Pty Limited	200,000	2.25
14. Ramage Anthony Robert	200,000	2.25
15. Giltej Sales Pty Limited	200,000	2.25
16. Whitey Tiger Pty Limited	200,000	2.25
17. Matthew Parrish Pty Limited	150,000	1.69
18. Goldshore Inv Pty Limited	125,000	1.41
19. Katsu Cap Pty Limited	125,000	1.41
20. Joyce Victor L + Abra S J	125,000	1.41
	6,878,001	77.50

**ECLIPSE METALS LIMITED
(FORMERLY ECLIPSE URANIUM LIMITED)
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2. The name of the company secretary is Mr R Marusco
3. The address of the principal registered office in Australia is 309 Pier Street, Perth WA 6000. Telephone (08) 92004963. The address of the principal place of business in Australia is 309 Pier Street, Perth WA 6000. Telephone (08) 9200 4963.
4. Registers of securities are held at the following addresses
Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 2333

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on the Australian Stock Exchange Limited.

6. **Restricted Securities**

Securities	Restriction Details	Number
Ordinary fully paid shares	Escrowed 24 months from quotation	49,999,998
Unlisted Options	Escrowed 24 months from quotation	150,000

On 8 February 2012, 400,000 Ordinary fully paid shares were released from escrow.

7. **Business Objective**

The Company has used its cash and assets that are readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

8. **Schedule of Tenements as at 30 September 2012**

Northern Territory

Project	Tenement	Status	Holder	Percentage %
Eclipse Project	ELA 24623	Application	Cauldron Energy Ltd	100
	ELA 24624	Application	Cauldron Energy Ltd	100
	EL 24625	Granted	Cauldron Energy Ltd	100
	ELA 24627	Application	Cauldron Energy Ltd	100
	EL 24637	Granted	Cauldron Energy Ltd	100
	EL 24808	Granted	Cauldron Energy Ltd	100
Pine Creek Project	EL 24880	Granted	Cauldron Energy Ltd	100
	ELA 27701	Application	North Minerals Pty Ltd	100
	EL 27702	Granted	North Minerals Pty Ltd	100
	EL 27851	Granted	North Minerals Pty Ltd	100
	EL 27853	Granted	North Minerals Pty Ltd	100
	ELA 27930	Application	North Minerals Pty Ltd	100
West Arnhem Project	ELA 27584	Application	North, Lee Michael	100
	ELA 27703	Application	North Minerals Pty Ltd	100
North Arunta Project	ELA 26283	Application	Whitvista Pty Ltd	100
	ELA 26284	Application	Whitvista Pty Ltd	100
Lake Mackey Project	ELA 24861	Application	Cauldron Energy Ltd	100
Caning Basin Project	ELA 24862	Application	Cauldron Energy Ltd	100

**ECLIPSE METALS LIMITED
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Pine Creek	EL 25201	Granted	Whitvista Pty Ltd	100
	EL 25942	Granted	Whitvista Pty Ltd	100
	EL 25943	Granted	Whitvista Pty Ltd	100
	EL 26257	Granted	Whitvista Pty Ltd	100
	ELA 26259	Application	Whitvista Pty Ltd	100
	ELA 26260	Application	Whitvista Pty Ltd	100
	ELA 26262	Application	Whitvista Pty Ltd	100
	EL 27567	Granted	Whitvista Pty Ltd	100
Arnhem	ELA 26193	Application	Whitvista Pty Ltd	100
	ELA 26244	Application	Whitvista Pty Ltd	100
	ELA 27549	Application	Whitvista Pty Ltd	100
	ELA 27130	Application	Whitvista Pty Ltd	100
	ELA 25666	Application	Whitvista Pty Ltd	100
Tanami	ELA 25998	Application	Whitvista Pty Ltd	100
	ELA 25999	Application	Whitvista Pty Ltd	100
	ELA 26000	Application	Whitvista Pty Ltd	100
	ELA 26001	Application	Whitvista Pty Ltd	100
	ELA 26002	Application	Whitvista Pty Ltd	100
	ELA 26003	Application	Whitvista Pty Ltd	100
	ELA 26004	Application	Whitvista Pty Ltd	100
	Yuendumu	ELA 26487	Application	Whitvista Pty Ltd
ELA 26488		Application	Whitvista Pty Ltd	100
ELA 26489		Application	Whitvista Pty Ltd	100
ELA 26490		Application	Whitvista Pty Ltd	100
ELA 26491		Application	Whitvista Pty Ltd	100
ELA 26492		Application	Whitvista Pty Ltd	100
ELA 26493		Application	Whitvista Pty Ltd	100

Notes:

EL: Granted Exploration Licence

ELA: Exploration Licence Application