

13 December 2012

ASX Market Announcements
Company Announcements Office
SYDNEY NSW 2000

Conversion of Loan

Further to the announcement 10 July 2012 Eclipse Metals Limited ("**Eclipse**" or the "**Company**") is pleased to announce that it has issued conversion notices to Klondyke Gold Limited ("**Klondyke**") pursuant to the Loan Facility Agreement.

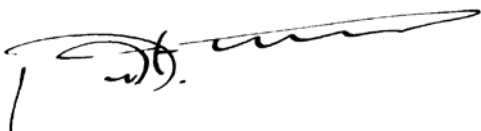
Eclipse declined the request from Klondyke to extend the repayment of the loan. Eclipse will convert the loan amount currently drawn down (\$700,000), interest and legal costs incurred to securities in Klondyke.

Under the Loan Facility Agreement, the advanced loan of \$50,000, all interest and costs incurred by Eclipse convert at \$0.05 per share and the remaining drawn down loan amount of \$650,000 convert to shares in Klondyke at \$0.20 per share.

Following the issue of Shares, Eclipse's holding in Klondyke's total issued and voting capital will be approximately 12% comprised of 9,552,344 Ordinary Shares and 10,000,000 Options exercisable at \$0.20 on or before 30 November 2015.

About Klondyke

Klondyke is an unlisted publically held gold exploration company with an exciting portfolio of assets in a geologically favourable area of Western Australia (WA), covering 36km² of selected tenure that is highly prospective for gold mineralisation. Klondyke's assets include four (4) separate exploration projects situated around the town of Cue in the Goldfields region of WA. Klondyke will also acquire battery sands with approximately 18,000 tonnes @ 1.4g/t gold that can be easily treated. Klondyke is comprised of a capable and well-qualified Board and management team. This team possesses considerable gold experience with a history of developing and delivering projects to capital markets.



Robert Marusco
Company Secretary

BOARD

Graeme Allan
Chairman

Emilio Pietro Del Fante
Executive Director

Shane Casley
Non-Executive Director

COMPANY SECRETARY

Robert Marusco

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ASX CODE

EPM