

3 May 2013

ASX Market Announcements
Company Announcements Office
SYDNEY NSW 2000

Renounceable Entitlement Issue

Eclipse Metals Limited (**Company** or **EPM**) is pleased to announce that it will be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company (**Shares**) via a renounceable rights issue (**Entitlement Issue**) on the basis of two (2) Shares for every one (1) Share held at the record date, with any fractional entitlements being rounded up.

Shares under the Entitlement Issue will be offered at 0.5 cents per Share. This pricing represents a 50% discount to the last traded price for EPM Shares. The maximum number of Shares which may be issued under the Entitlement Issue is approximately 486,385,544 to raise approximately \$2.4 million before costs. Existing shareholders will also be given the right to participate in any shortfall or sell all or part of the entitlement under the Entitlement Issue.

The funds raised from the Entitlement Issue after costs will be used to repay EPM's short term debt facility, fund exploration and tenement expenses for EPM and its subsidiaries' tenement portfolio, evaluate new exploration prospects and working capital.

The Entitlement Issue is underwritten by Komodo Capital Pty Ltd, AFSL 344234, a company associated with Mr Peter Landau, a director of EPM. The other directors of EPM or associated entities have also agreed to sub-underwrite a portion of the Entitlement Issue namely Ghan Resources Pty Ltd (an associate of Mr Carl Popal) and Mr David Sanders.

The proposed timetable for the Entitlement Issue is as follows:

Entitlement Issue/Offer announced via ASX	6 May 2013
Rights trading commences	8 May 2013
Ex date	8 May 2013
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Offer)	14 May 2013
Entitlement Issue Offer Document Despatched to Eligible Shareholders (expected date of despatch of Offer Document and Entitlement and Acceptance Forms)	20 May 2013
Rights trading ends	3 June 2013
Shares quoted on a deferred settlement basis	4 June 2013

BOARD

Carl Popal
Director

Peter Landau
Director

David Sanders
Director

COMPANY SECRETARY

Jane Flegg

REGISTERED OFFICE

Ground Floor, 1 Havelock Street
West Perth WA 6005
Phone: +61 8 9488 5220
Fax: +61 8 9324 2400

PRINCIPAL PLACE OF BUSINESS

Level 2, 41-43 Ord Street
WEST PERTH WA 6005
Phone: +61 8 9481 3992
Fax: +61 8 9481 5665

AUSTRALIAN BUSINESS NUMBER

85 142 366 541

SHARE REGISTRY

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153

ASX CODE

EPM

Closing Date*	11 June 2013
Company to notify ASX of undersubscriptions (if any)**	14 June 2013
Issue of new shares & despatch holding statements **	19 June 2013

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date of the Offer at their discretion which will also extend the rights trading. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Shares.

** These dates are indicative only

The Company hereby gives notice that:

- 1 the Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Act;
- 2 the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- 3 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- 4 the Company has complied with section 674 of the Act;
- 5 there is no information:
 - 5.1 that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - 5.2 that investors and their professional advisors would reasonably require for the purposes of making an informed assessment of:
 - 5.2.1 the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - 5.2.2 the rights and liabilities attaching to the Shares; and
- 6 the issue of Shares may affect the control of the Company depending on the level of rights trading and take up of the rights issue. Based on the current disclosures made by substantial holders and the underwriting and sub-underwriting commitments received to date:
 - 6.1 Ghan Resources Pty Ltd, an existing shareholder and sub-underwriter could obtain a maximum voting power through taking up its rights and its sub-underwriting commitment of 16.7%; and
 - 6.2 Komodo Capital Pty Ltd as underwriter could obtain a maximum voting power of 52.5%.

An Appendix 3B in relation to the Entitlement Issue is attached.

Yours sincerely



Jane Flegg
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Eclipse Metals Limited

ABN

85 142 366 541

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---------------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to approximately 486,385,544 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

Appendix 3B
New issue announcement

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	\$0.005 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Renounceable Entitlement Issue
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	
6c	Number of +securities issued without security holder approval under rule 7.1	

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A							
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)							
6f	Number of +securities issued under an exception in rule 7.2							
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.							
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements							
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	10 June 2013 – proposed dispatch date for holding statements						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td>729,578,316 (depending on acceptances)</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td>8,873,500</td> <td>Listed options exercisable on or before 31 May 2014</td> </tr> </tbody> </table>	Number	+Class	729,578,316 (depending on acceptances)	Fully paid ordinary shares	8,873,500	Listed options exercisable on or before 31 May 2014
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729,578,316 (depending on acceptances)	Fully paid ordinary shares							
8,873,500	Listed options exercisable on or before 31 May 2014							

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	150,000	Unlisted options exercisable at 20 cents on or before 30 November 2015
	100,623,813	Unlisted options exercisable at 6 cents on or before 30 November 2016
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No policy	

Part 2 - Pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Renounceable
13 Ratio in which the +securities will be offered	Two new shares for every one share held at the Record Date
14 +Class of +securities to which the offer relates	Ordinary shares
15 +Record date to determine entitlements	14 May 2013
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	Rounded up
18 Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	None
19 Closing date for receipt of acceptances or renunciations	11 June 2013

+ See chapter 19 for defined terms.

20	Names of any underwriters	Komodo Capital Pty Ltd AFSL 344234
21	Amount of any underwriting fee or commission	6%
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	20 May 2013
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	6 May 2013
28	Date rights trading will begin (if applicable)	8 May 2013
29	Date rights trading will end (if applicable)	3 June 2013
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Security holders may instruct via their Entitlement Form
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Security holders may instruct via their Entitlement Form

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|--|---|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | Obtain Renunciation Form from stockbroker or Share Registry |
| 33 | ⁺ Issue date | 19 June 2013 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☐ ⁺Securities described in Part 1
- (b) ☐ All other ⁺securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



.....
Company secretary

Date:3 May 2013....

Print name: Jane Flegg

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>