

31 October 2013

Quarterly Activities Report and Appendix 5B

For the Quarter ending 30 September 2013

The Board of Eclipse Metals Limited (“the Company”) is pleased to provide the following commentary and Appendix 5B.

During the quarter, further preliminary investigations have been carried out over the company’s granted and applied for exploration licences in the Northern Territory and Queensland. Currently Eclipse Metals controls over 24,050 km² within the Northern Territory, Queensland and New South Wales hosting various types of mineral commodities. These include gold, manganese, iron, uranium, platinum, palladium, copper and bauxite.

Eclipse Metals currently holds over 710 km² granted exploration licences in the Northern Territory, targeting a range of commodity such as gold, uranium and iron. Table 1 below lists the granted tenements 3 of which are shown on the map in Figure 1 in relation to the various mineral prospects/mines. The Eclipse (EL24808) Project tenements are shown in Figure 2.

Project	Tenement Number	State	Commodity	Tenure Status	Area (sq km)	Beneficial Holder
ECLIPSE NT	EL 24808	NT	Uranium	Granted	85.79	Eclipse Metals Ltd
WEST BATCHELOR	EL 26257	NT	Iron -Gold- Uranium-Tin	Granted	407.05	Eclipse Metals Ltd
MT WELLS	EL 27567	NT	Gold-Base Metals	Granted	29.99	Eclipse Metals Ltd
LITCHFIELD NTH	EL 27853	NT	Uranium	Granted	187.26	Eclipse Metals Ltd
Total					710.09	

Table 1: Tenement Schedule over Eclipse Metals Granted Exploration Licences

BOARD

Carl Popal
Director

David Sanders
Director

Rodney Dale
Director

COMPANY SECRETARY

Keith Bowker

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EPM

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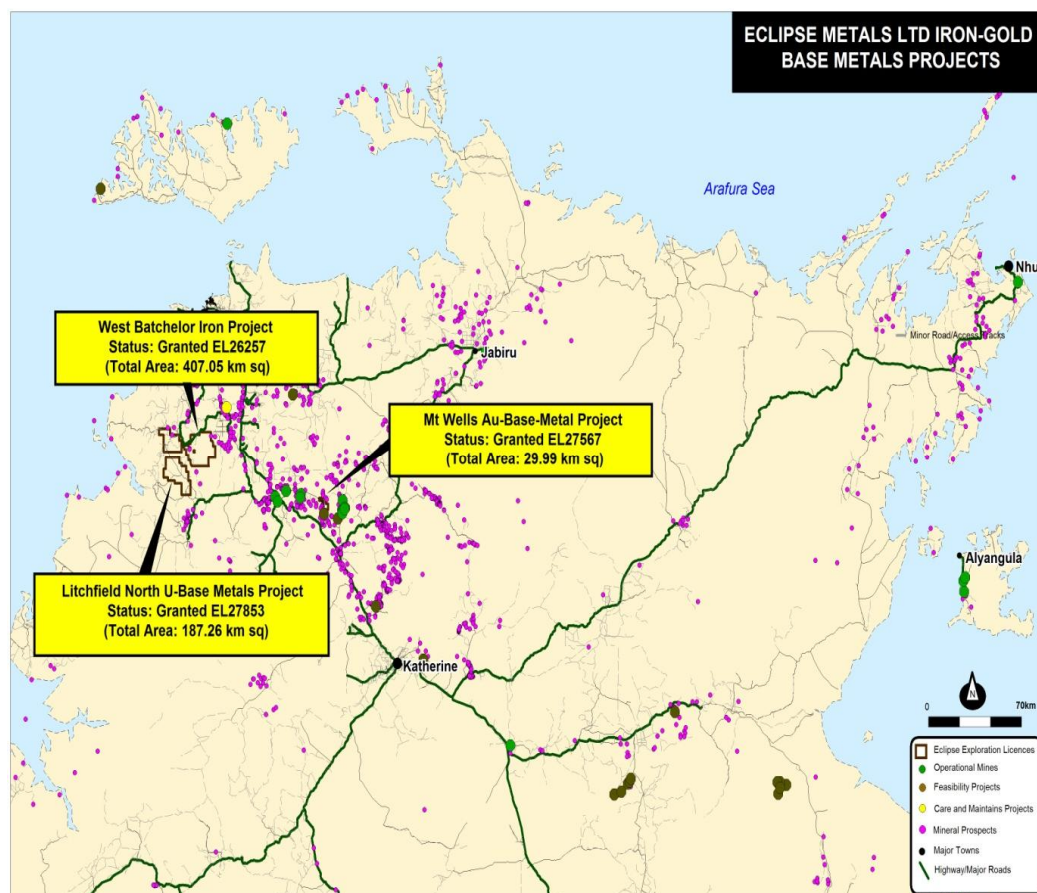


Figure 1: Location Map showing Eclipse Metals 3 Granted Exploration Licences Areas

- Highlights from review for the Mt Wells, West Bachelor and the Litchfield North

Projects:

Mt Wells: The review during the quarter highlighted the Mt Wells gold-base metal project as hosting a major structural target. The project is located approx. 27 km north-north-west from Pine Creek in the Northern Territory, situated proximal to major gold deposits (Spring Hill Gold Deposit: Indicated Resource 3.6Mt at 2.34g/t Au for 274,000 oz of gold) within the Pine Creek Geosyncline. Based on the interpreted magnetic data, a five kilometre shear zone is running in a NW-SE direction on the western portion of the tenement. This is highly encouraging as it may represent an important feature for controlling the localisation of gold bearing fluids within a structural corridor, indicating a strong exploration target for structurally controlled gold/base metal deposits.

The West Batchelor Iron Project: This is currently a high priority for the company with two iron prospects of interest including the Mt Tolmer and Table Top Iron areas. The review interpreted the Mt Tolmer Iron prospect as a flat-lying body occurring at the unconformity between slate and ferruginous sandstone. The deposit is mainly composed of hematite with some areas as thick as 12 metres and others around nine metres. Two types of material were assayed:

1. Dense, fine grained hematite showing concretionary structures in some part and
2. Strongly cellular material generally composed of a mixture of hematite and limonite and usually containing a small admixture of sand grains.

In places, the texture of the cellular material resembles a gossan with minor amounts of secondary copper minerals observed in a few specimens; the cellular type of material is always predominant.

Type of Material	Total Iron %	Phosphorus %	Copper %	Sulphur %
Type 1: Dense Hematite	61.8	0.19	0.0058	0.015
Type 2: Cellular Material	56.7	0.15	0.0046	0.025

The Table Top Iron Prospect is a deposit of laterite development beneath a plateau formed by flat-lying Upper Proterozoic quartz sandstone (Depot Creek Sandstone). The prospect is situated approx. 13.7 km north-east of the Mount Tolmer Iron Prospect. Magnetic beneficiation of the iron mineralisation appears feasible.

Litchfield North. A brief review of the Litchfield North tenement (EL27853) shows that the Wilson Uranium Prospect is located at the most northern boundary. Historic exploration work has confirmed the prospect occurs over a northerly length of about 1.5 km and a width of about 400m. Anomalous uranium and copper values from drilling occur near the water table, suggesting deposition from circulating groundwater by supergene processes. Through further work conducted by the company several radiometric and magnetic anomalies were identified which remain untested.

The **Woolner Project (EL27702)**, **North Moline (EL 25942 and EL25943)** and **Litchfield South (EL 27851)** were identified as having minimal mineral prospectivity and therefore relinquished during the quarter

Eclipse also holds 30 exploration licences applications covering more than 22,267km² in the Northern Territory as shown in Table 2 and on the map in Figure 2.

Table 2: Details of the exploration licence applications and projects are included below:

Project	Tenement Number	Status	Commodity	Area (sq km)	Beneficial Holder	Geological Model
ECLIPSE	ELA 24623	NT	Uranium	932.1	Eclipse Metals Ltd	Sandstone/Calcrete-palaeochannel U
ECLIPSE	ELA 24624	NT	Uranium	1458	Eclipse Metals Ltd	Sandstone/Calcrete-palaeochannel U
ECLIPSE	ELA 24627	NT	Uranium	1518	Eclipse Metals Ltd	Sandstone/Calcrete-palaeochannel U
LAKE MACKAY	ELA 24861	NT	Uranium	158.7	Eclipse Metals Ltd	Calcrete Hosted Uranium
CANNING BASIN	ELA 24862	NT	Uranium	515.7	Eclipse Metals Ltd	Calcrete Hosted Uranium
MT POIZIERES	ELA 25666	NT	Uranium-Base Metals	757.6	Eclipse Metals Ltd	Unconformity / Structural hosted U
TANAMI 4	ELA 25998	NT	Gold-Uranium	218.6	Eclipse Metals Ltd	Structural hosted
TANAMI 5	ELA 25999	NT	Gold-Uranium	252.7	Eclipse Metals Ltd	Structural hosted
TANAMI 6	ELA 26000	NT	Uranium	303.1	Eclipse Metals Ltd	Calcrete-Palaeochannel U
TANAMI 7	ELA 26001	NT	Uranium	777.3	Eclipse Metals Ltd	Calcrete-Palaeochannel U
TANAMI 1	ELA 26002	NT	Uranium	966.3	Eclipse Metals Ltd	Calcrete Hosted Uranium
TANAMI 2	ELA 26003	NT	Uranium	1304	Eclipse Metals Ltd	Calcrete Hosted Uranium
TANAMI 3	ELA 26004	NT	Uranium	1042	Eclipse Metals Ltd	Calcrete Hosted Uranium
LIVERPOOL 1	ELA 26193	NT	Uranium	804.4	Eclipse Metals Ltd	Unconformity U Style
LIVERPOOL 2	ELA 26244	NT	Uranium	163.3	Eclipse Metals Ltd	Unconformity U Style

SOUTH ALLIGATOR 1	ELA 26259	NT	Uranium	660.7	Eclipse Metals Ltd	Unconformity & High grade vein U
SOUTH ALLIGATOR 2	ELA 26260	NT	Uranium-Gold-Base Metals	881.1	Eclipse Metals Ltd	Unconformity & High grade vein U
MT THEO	ELA 26283	NT	Uranium	832.7	Eclipse Metals Ltd	Structural-Calcrete U style
MT PATRICIA	ELA 26284	NT	Uranium	747.8	Eclipse Metals Ltd	Structural-Calcrete U style
YUENDI	ELA 26487	NT	Uranium-Base Metals	1003	Eclipse Metals Ltd	Structural /High grade vein U
ATLEE	ELA 26488	NT	Uranium-Base Metals	743.5	Eclipse Metals Ltd	Structural /High grade vein U
MACKAY	ELA 26489	NT	Gold	598.6	Eclipse Metals Ltd	Structural /High grade vein U
YALOOGARIE	ELA 26490	NT	Uranium-Base Metals	1156	Eclipse Metals Ltd	Structural-Calcrete U style
CHILA WELL	ELA 26491	NT	Uranium-Base Metals	1007	Eclipse Metals Ltd	Structural /High grade vein U
WILD CAT BORE	ELA 26492	NT	Uranium-Base Metals	1035	Eclipse Metals Ltd	Structural-Calcrete U style
PUYURRU	ELA 26493	NT	Uranium/Base Metals	598.6	Eclipse Metals Ltd	Structural-Calcrete U style
FLYING FOX	ELA 27130	NT	Uranium/Base Metals	1608	Eclipse Metals Ltd	Unconformity U Style
LIVERPOOL 3	ELA 27549	NT	Uranium	171.1	Eclipse Metals Ltd	Unconformity U Style
DEVILS ELBOW	ELA 27584	NT	Uranium-Gold-Palladium	100.5	Eclipse Metals Ltd	Unconformity / Structural hosted U
GUMADEER	ELA 27703	NT	Uranium-Gold-Palladium	9.53	Eclipse Metals Ltd	Unconformity / Structural hosted U
Total				22,267.37		

The review over the West Arnhem Project has identified several highly prospective areas, including the Devil's Elbow uranium-gold-palladium prospect located within ELA27584. The tenement area has yielded historically high grade surface uranium, gold, platinum and palladium assays related to fractures within altered amygdaloidal basalt of the Nungbalgarri Volcanics. The prospect is located within the world class Alligator Rivers Uranium Field which hosts Ranger, Nabarlek and Jabiluka Uranium Mines. Large uranium deposits in the Alligator Rivers Uranium Field account for 96% of past production and 95% of known resources in the Northern Territory.

The Tanami 4 and 5 Gold Projects review indicated that much of the project areas are underlain by the Paleoproterozoic Killi Killi sediments which hosts the gold mineralisation at the Buccaneer, Old Pirate, Golden Hind and Coyote Mine (Coyote Mine: 30.25Mt tonnes grading 3.3g/t Au for 3,224,000oz of Au) being explored by ABU Resources. The Tanami-Arunta region is a world-class gold province, with several million ounce plus deposits (Callie, Granites, Tanami), and is considered to be one of the most under-explored major gold terrains in Australia. Proximal gold deposits such as Buccaneer Gold Deposit are located approximately 12 km NNE from ELA25999 (Resource: 15.3Mt @ 2.54g/t Au. Total: 1,254,500oz Au), Old Pirate Gold Deposit is 8.8 km NE from ELA25999 has a (total uncut mineral resource estimate of 1.88Mt @ 11.96g/t Au for 723,800oz Au) and Golden Hind Deposit all indicating that the Tanami 4 and 5 project areas are prospective to host gold mineralisation.

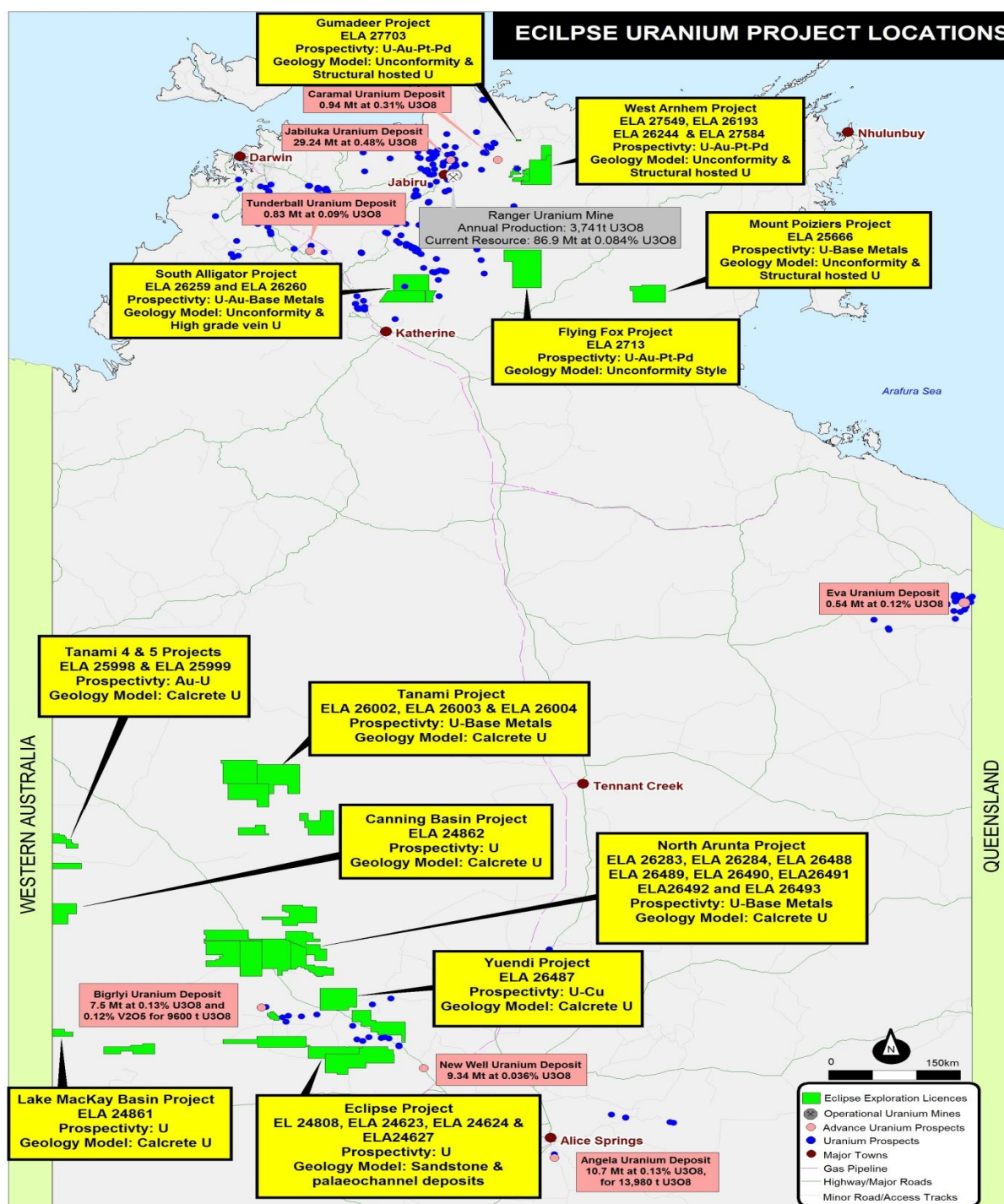


Figure 2: Location Map showing Eclipse Metals Exploration Licences Application Areas and Eclipse Project Exploration Licence

Review of the Yuendi copper-uranium project (ELA26487) outlined abundant radiometric/magnetic and structural targets within the tenement. The Yuendi project hosts the entire Rock Hill Copper Field which contains 10 copper prospects (which historically and currently remain relatively unexplored). Copper minerals occur at several localities along a 5 km strike. The lodes at the surface consist mainly of malachite and quartz with lesser amounts of azurite and chrysocolla. Tenorite and chalcocite are reported and one historical drill hole intersected about 1 metre of massive chalcopyrite at a depth of 37 metres. Fruzzetti recorded an average grade for chip and channel samples of 10% copper. The copper mineralisation from these veins occurs from surface to a maximum depth of 30 metres with an average length of 100 metres.

Walla Mines Pty Ltd (subsidiary of Eclipse Metals) holds eight granted exploration tenements licences covering more than 1,072 km² in the Northern Territory, Queensland and New South Wales. The Projects are in the early stages of exploration with strong potential for delineation of further manganese-gold-iron mineralisation. Details of the granted exploration licences are included in Table 3, with locations illustrated in Figure 3.

Table 3: Granted Exploration Licenses and Permits within Walla Mines

Project	Tenement Number	State	Commodity	Tenure Status	Area (sq km)	Current Holder
Mary Valley	EPM 17672	QLD	Manganese	Granted	167.40	Walla Mines Pty Ltd
Devils Mountain	EPM 17685	QLD	Gold- Manganese	Granted	27.90	Walla Mines Pty Ltd
Bundaberg	EPM 17810	QLD	Manganese	Granted	43.40	Walla Mines Pty Ltd
West McArthur	EL 27117	NT	Manganese- Base metals	Granted	598.30	Walla Mines Pty Ltd
Mary Valley	EPM 17938	QLD	Manganese	Granted	12.40	Walla Mines Pty Ltd
Moss Vale	EL 7986	NSW	Bauxite	Granted	31.00	Walla Mines Pty Ltd
Moonford	EPM 18596	QLD	Iron	Granted	124.00	Walla Mines Pty Ltd
Yellow Jack	EPM 17321	QLD	Gold	Granted	68.20	Walla Mines Pty Ltd
Total					1,072.60	

The geological review over the Mary Valley Manganese Project (located approximately 14 km SW of Gympie Township in Queensland) showed historical manganese production over several prospects. The largest mine within the tenement area was at Amamoor No.1 Manganese Deposit which produced 19,630t @ 51% Mn. A total of 31,477 tonnes of ore was mined from the three Exploration Permit Mineral areas with the manganese grade ranging from 42% to 51% Mn. The dimensions of all the deposit are not known to date. Historical assays have also indicated that the Mn, Fe, Si and P levels are all within the direct shipping ore parameters which further confirm the economic potential of standalone mining operations over the Mary Valley Manganese Project. The project covers 198 square kilometres of favorable lithology within the three Exploration Licence (EPM) areas. Nearest shipping port from the project is at Brisbane approximately 165 rail kilometres.

The Yellow Jack Gold Project has a JORC Compliant Resource down to 50 metres vertical depth; INFERRED JORC RESOURCE: 855,000t @ 1.41 g/t Au (38,760 contained ounces of gold). Historical metallurgical studies have indicated that bottle roll cyanidation recoveries over oxide and transitional zone material gave cyanide recoveries averaging 88%.

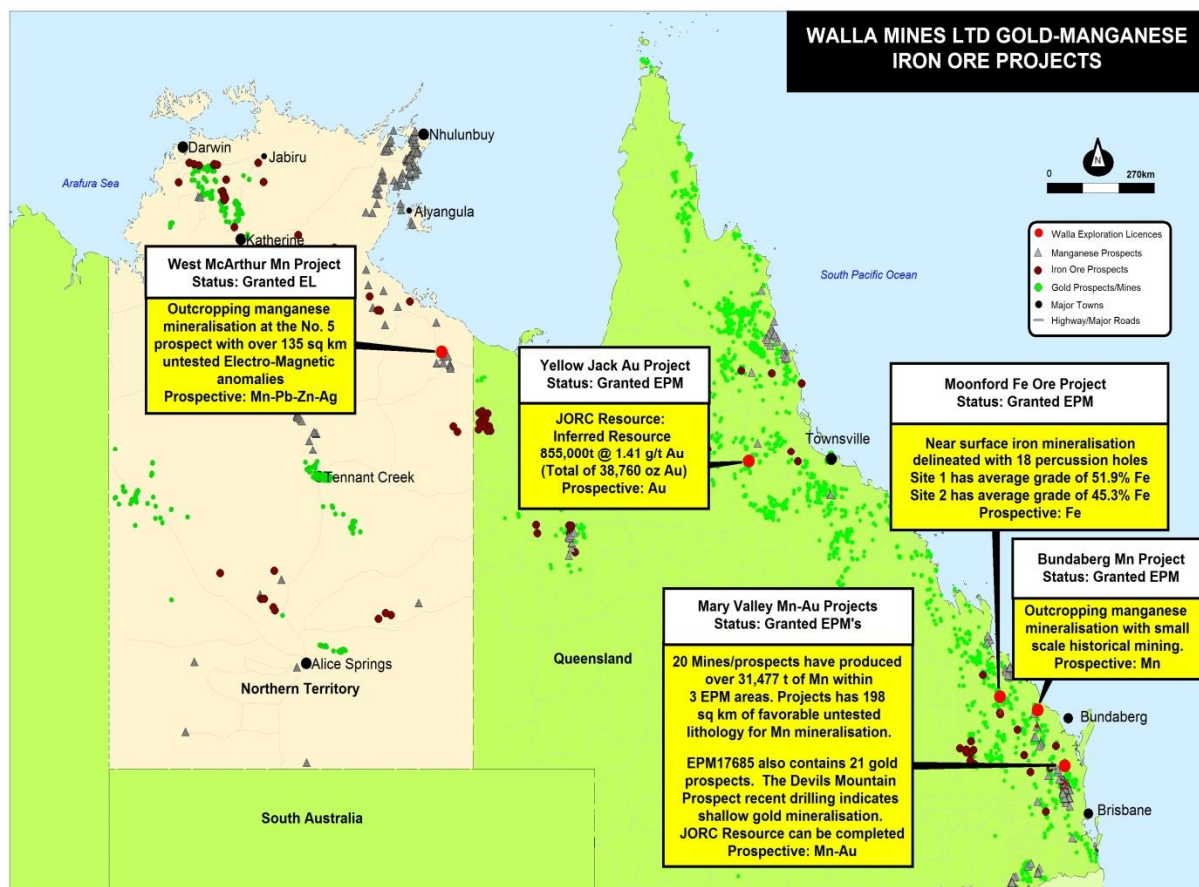


Figure 3: Location Map showing Walla Mines Pty Ltd tenements in Northern Territory and Queensland

The Moss Vale Bauxite Project is the subject of an option in favour of ABX Pty Ltd, a wholly owned subsidiary of ASX listed Australian Bauxite Limited, whereby ABX2 Pty Ltd is required to meet expenditure commitments on the tenement and then has an option to purchase the tenement from Walla Mines Pty Ltd.

Commenting on these positive results, Carl Popal Executive Director stated, "We are delighted to have received such positive results, as it clearly demonstrates the mineral prospectivity currently held within Eclipse Metals tenement portfolio". "We are still focusing in developing an exploration strategy over the current exploration licences with a view to commence on ground exploration activities in the short term".

For and on behalf of the Board.

Carl Popal
Executive Director

For further information please contact:

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Competent Person's Statement

Information in this report which relates to exploration results, together with any related assessments and interpretations, is based on information compiled by Kastellco Geological Consultancy on behalf of Mr Giles Rodney (Rod) Dale. Mr Dale is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Dale is a Director of the company. Mr Dale has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Dale consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Eclipse Metals Limited

ABN

85 142 366 541

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(58)	(58)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(157)	(157)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(215)	(215)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (refundable deposit)	(54)	(54)
Net investing cash flows		(54)	(54)
1.13	Total operating and investing cash flows (carried forward)	(269)	(269)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(269)	(269)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	9	9
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share issue costs)	(22)	(22)
	Net financing cash flows	(13)	(13)
	Net increase (decrease) in cash held	(282)	(282)
1.20	Cash at beginning of quarter/year to date	372	372
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	90 ¹	90 ¹

1 As set out in the Company's Annual Report the underwriter to the Entitlements Issue has transferred 120 million shares to unrelated parties that will make the shares available to future investors at 0.5 cents per share and direct the proceeds to the Company. Since the end of the quarter, a total of \$200,000 has been firmly committed of which approximately \$54,000 has been received by the Company and a further \$146,000 is due by end of November 2013. The Company is in discussions with a range of potential future investors in relation to the remaining shares to the value of \$400,000. Pursuant to the Deed of Settlement with the underwriter the Company is also due to receive a refund of the \$54,000 deposit referred to in section 1.12 above during the current quarter.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	-
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

3,814,000 fully paid ordinary shares were issued during the quarter as part of the shortfall of the entitlements issue for the conversion of creditor balances.

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	75
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total	195

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	90	372
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	90	372

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EL 27702 EL 27851 EL 25943 EL 25942	Relinquished Relinquished Relinquished Relinquished	100% 100% 100% 100%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
7.2	+ securities (description) Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+ Ordinary securities	531,106,824	531,106,824	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,514,000	5,514,000	\$0.005
7.5	+ Convertible debt securities (description)			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.7	Options (description and conversion factor)	8,873,500 150,000 103,023,813	8,873,500 - -	Exercise price 20 cents 20 cents 6 cents	Expiry date 31/05/14 30/11/15 30/11/16
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


 (Company Secretary)

Date: 31 October 2013

Print name: Keith Bowker

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.