

31 March 2014

Quarterly Activities Report and Appendix 5B For the Quarter ending 31 March 2014

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

During the quarter, the Company focused on landholder notifications permits as part of the statutory obligations for the purposes of conducting ground exploration over the Manganese and Iron project areas in Queensland along with initial discussions with the Northern Land Council over the granting of the West Arnhem Uranium Project tenement application in the Northern Territory. Further data reviews over the Northern Territory iron projects were also conducted as part of planning future exploration programs.

Northern Territory Projects

The Company engaged in initial discussions with the Northern Land Council in relation to scheduling native title meetings with the Traditional Land Owners over the West Arnhem Uranium projects. The meetings must take place before a granted status is issued by the Northern Territory Titles Department as they lie within Aboriginal freehold land. An exploration deed must be reached between the Traditional Land Owners and the company to provide access and permission to conduct ground exploration activities targeting the areas identified.

The Company’s focus will be on the Devil’s Elbow uranium-gold-palladium prospect located within ELA27584. This yielded high grade surface uranium assays of **3.2% U₃O₈**, **3.7% U₃O₈**, **4.40% U₃O₈** and **5.8% U₃O₈**, with **38.1 g/t Au** and **28.02 g/t Pd** related to fractures within altered amygdaloidal basalt of the Nungbalgarri Volcanics. Abundant strong untested radiometric anomalies are hosted within the Gumarrimbang Sandstone which is considered prospective for unconformity related uranium mineralisation associated with gold and palladium.

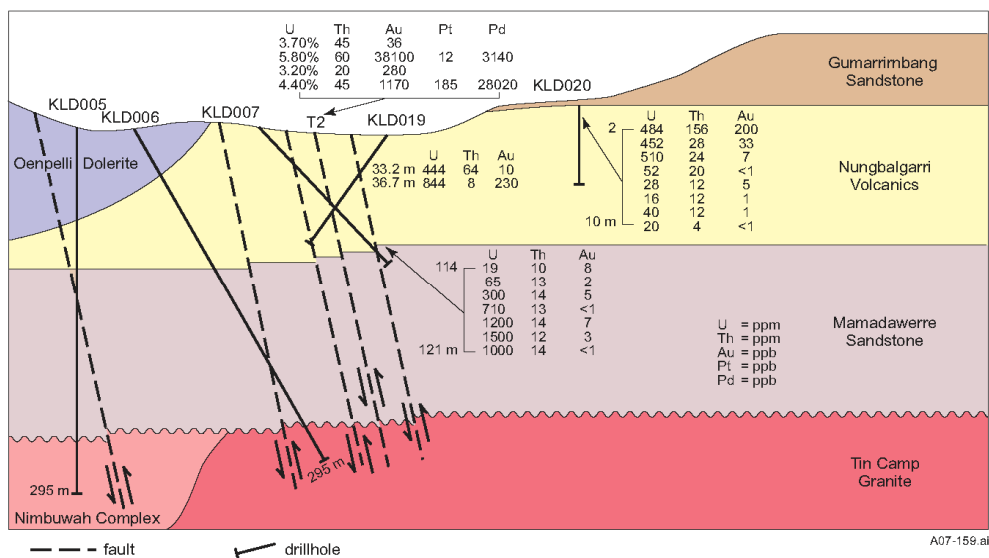


Figure 1: Geological cross-section at Devil’s Elbow U-PGE occurrence

ECLIPSE METALS LTD

Eclipse Metals Limited is an Australian company with a portfolio (over 24,000 km²) of quality iron, manganese, gold, uranium and base metal projects in the highly prospective Archaean and Proterozoic metallogenic provinces of the Northern Territory and Queensland in Australia.

BOARD

Carl Popal
Executive Chairman

Pedro Kastellorizos
Executive Director

Rodney Dale
Non-Executive Director

Justin Barton
Non-Executive Director

COMPANY SECRETARY

Keith Bowker

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85 142 366 541

SHARE REGISTRY

Security Transfer Registrars
770 Canning Highway
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ASX CODE

EPM

WEBSITE

www.eclipsemetals.com.au

A desktop study and data review of the West Bachelor Iron Project highlighted the highly prospective nature of the Mt Tolmer and Tabletop Iron prospects situated in the Northern Territory.

The Mt Tolmer historical rock chip sampling program yielded iron assay up to **61.8% Fe** from surface, with 20% to 40% Fe from the Tabletop prospect. Historical metallurgical studies conducted during the 1970's on samples from the Tabletop Prospect indicate that magnetic beneficiation of the iron mineralisation appears feasible.

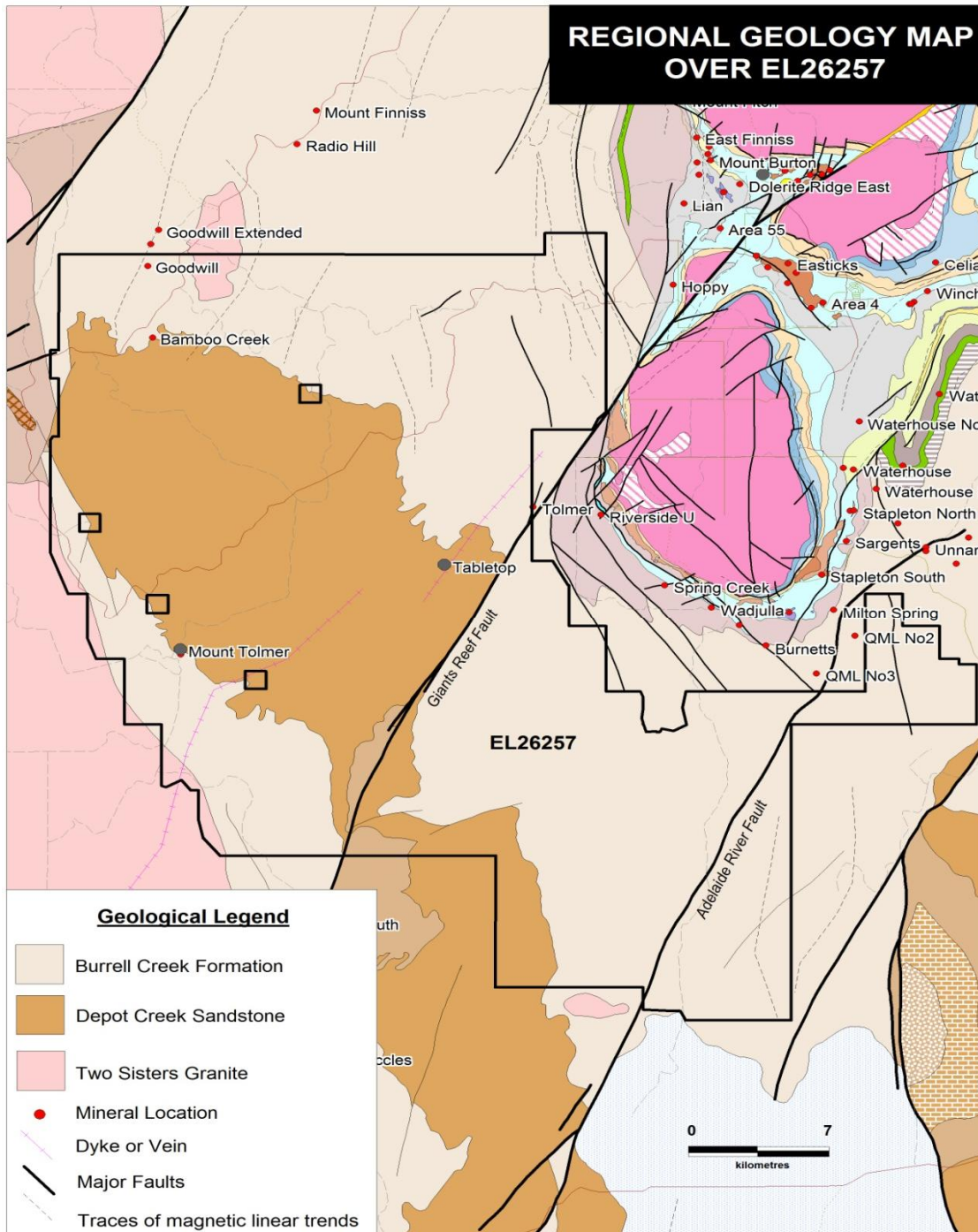


Figure 2: West Bachelor Project Regional Geology with location of Prospects

The Northern Territory tenements, both granted and under application, covering areas prospective for uranium are now the subject of an approach for joint venture or acquisition. Negotiations are on-going.

Exploration Licence Applications 24862, 25998, 25999, 26000, 26001, 26002, 26003 and 26004 held in the Northern Territory were relinquished based on a data review which indicated a lack of mineral prospectivity.

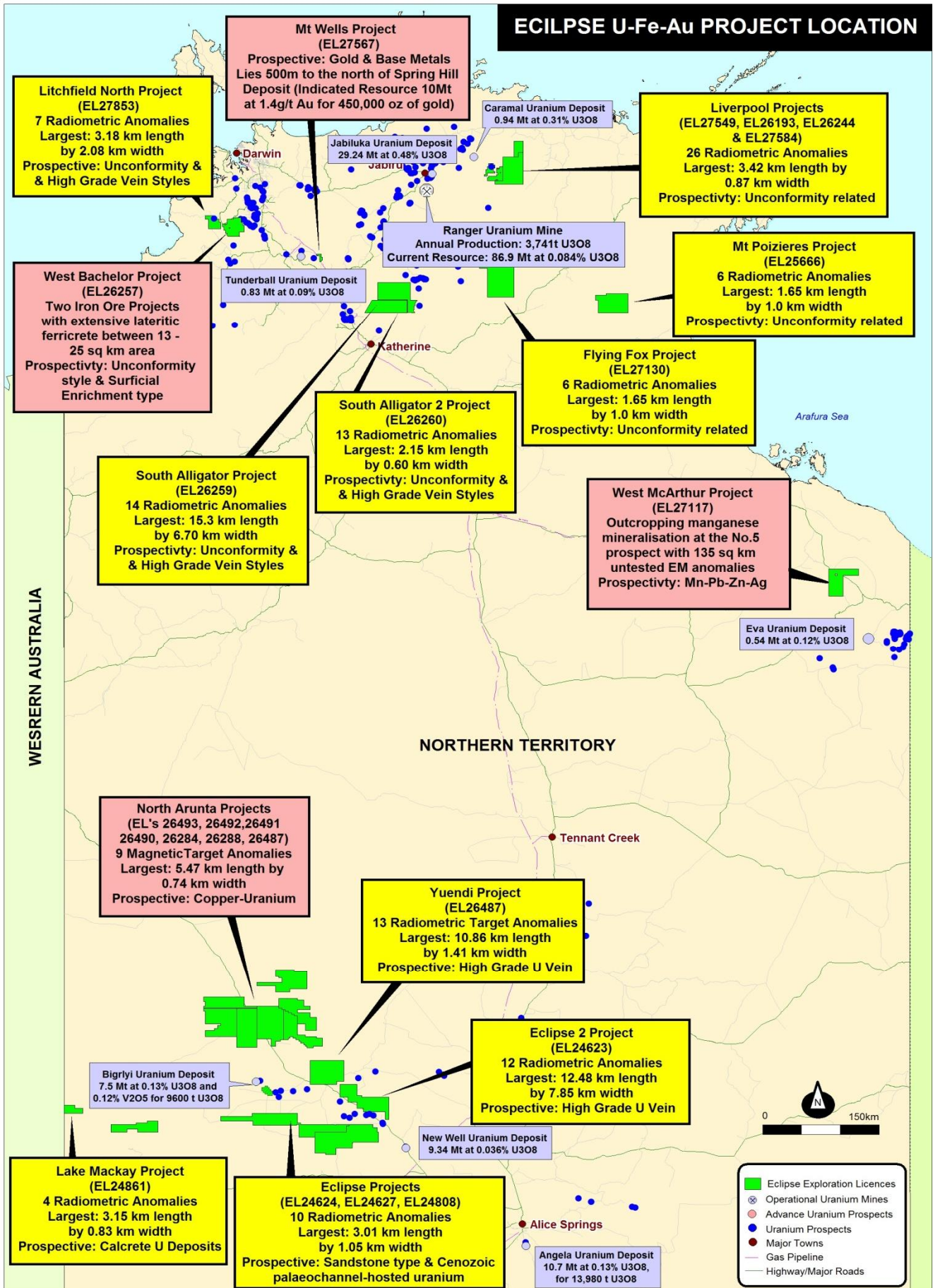


Figure 3: Northern Territory Project Location Map

Queensland Projects

Based on the detailed data review, announced to the market during the last quarter, on gold projects in Queensland, the Company sold the Yellow Jack (EPM 17321) and Devils Mountain (EPM 17685) Projects to Laura Exploration Pty Ltd. The ASX announcement was released to the market on 14th April 2014.

Landholder notifications over the Mary Valley Manganese and Moonford Iron Projects were issued by the Company as part of statutory obligation under the Queensland Mining Act, required to be completed prior to commencement of the geological reconnaissance program.

Corporate

The following changes were made to the Board during after the Quarter:

Mr Pedro Kastellorizos was appointed as an Executive Director as of the 3rd April 2014.

For and on behalf of the Board



Carl Popal
Executive Chairman

For further information please contact
Carl Popal
Executive Chairman
T: 61 8 9480 0420

Keith Bowker
Company Secretary
T: 61 8 9481 0544

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 Mr Pedro Kastellorizos and Mr Rodney Dale. Mr Dale is a Fellow of the Australasian Institute of Mining and Metallurgy and a Director of Eclipse Metals Limited. Mr Kastellorizos is a geologist with over 17 years of experience relevant to the styles of mineralisation under consideration and to the activity which he is undertaking as Executive Director. Mr Dale has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the .Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(21)	(99)
(b) development	-	-
(c) production	-	-
(d) administration	(81)	(322)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
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	(101)	(420)
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 ¹	-	-
(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)
Net investing cash flows	-	(54)
1.13 Total operating and investing cash flows (carried forward)	(101)	(474)

+ 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)	(101)	(474)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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 (\$22k), proceeds of \$212k ²)	127	190
	Net financing cash flows	127	199
	Net increase (decrease) in cash held	26	(275)
1.20	Cash at beginning of quarter/year to date	71	372
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	97	97

1 Subsequent to the end of the quarter the Company announced the sale of non-core mining tenements EPM 17321 and EPM 17685. Pursuant to the sale of mining tenements agreement, \$125,000 is due to be received by the Company by the end of May 2014.

2 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 and direct the proceeds to the Company. During the quarter, a total of \$126,850 has been received by the Company and since the end of the quarter, a further \$50,000 has been received and \$150,000 has been firmly committed and due by the end of May 2014. The Company remains in discussions with a range of potential future investors in relation to the remaining shares to the value of \$338,550. 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.

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

N/A

+ 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	50
4.2 Development	-
4.3 Production	-
4.4 Administration	85
Total	135

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	97	71
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	97	71

+ 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	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

6.3 Interests in mining tenements at end of the quarter

Location	Project Name	Tenement #	Ownership	Titleholder
Northern Territory	Mt Wells	EL 27567	100%	Eclipse Metals Ltd
Northern Territory	Eclipse	EL 24808	100%	Eclipse Metals Ltd
Northern Territory	Litchfield North	EL 27853	100%	Eclipse Metals Ltd
Northern Territory	West Batchelor	EL 26257	100%	Eclipse Metals Ltd
Queensland	Yellow Jack	EPM 17321	55.61%	Walla Mines Pty Ltd
Queensland	Devils Mountain	EPM 17685	55.61%	Walla Mines Pty Ltd
Queensland	Mary Valley	EPM 17672	55.61%	Walla Mines Pty Ltd
Queensland	Mary Valley	EPM 17938	55.61%	Walla Mines Pty Ltd
Northern Territory	West McArthur	EL 27117	55.61%	Walla Mines Pty Ltd
Queensland	Moonford	EPM 18596	55.61%	Walla Mines Pty Ltd
New South Wales	Moss Vale	EL 7986	55.61%	Walla Mines Pty Ltd
Queensland	Bundaberg	EL 17810	55.61%	Walla Mines Pty Ltd
Northern Territory	Eclipse	ELA 24623	100%	Eclipse Metals Ltd
Northern Territory	Eclipse	ELA 24624	100%	Eclipse Metals Ltd
Northern Territory	Eclipse	ELA 24627	100%	Eclipse Metals Ltd
Northern Territory	Lake Mackay	ELA 24861	100%	Eclipse Metals Ltd
Northern Territory	Mt Poizieres	ELA 25666	100%	Eclipse Metals Ltd
Northern Territory	Liverpool 1	ELA 26193	100%	Eclipse Metals Ltd
Northern Territory	Liverpool 2	ELA 26244	100%	Eclipse Metals Ltd
Northern Territory	South Alligator	ELA 26259	100%	Eclipse Metals Ltd
Northern Territory	South Alligator	ELA 26260	100%	Eclipse Metals Ltd
Northern Territory	Mt Theo	ELA 26283	100%	Eclipse Metals Ltd
Northern Territory	Mt Patricia	ELA 26284	100%	Eclipse Metals Ltd
Northern Territory	Yuendi	ELA 26487	100%	Eclipse Metals Ltd
Northern Territory	Atlee	ELA 26488	100%	Eclipse Metals Ltd
Northern Territory	Mackay	ELA 26489	100%	Eclipse Metals Ltd
Northern Territory	Yoolgarri	ELA 26490	100%	Eclipse Metals Ltd
Northern Territory	Chilla Well	ELA 26491	100%	Eclipse Metals Ltd
Northern Territory	Wild Cat Bore	ELA 26492	100%	Eclipse Metals Ltd
Northern Territory	Puyurru	ELA 26493	100%	Eclipse Metals Ltd
Northern Territory	Flying Fox	ELA 27130	100%	Eclipse Metals Ltd
Northern Territory	Liverpool 3	ELA 27549	100%	Eclipse Metals Ltd
Northern Territory	Devil's Elbow	ELA 27584	100%	Eclipse Metals Ltd
Northern Territory	Gumadeer	ELA 27703	100%	Eclipse Metals Ltd

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

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 securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	559,856,824	559,856,824		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	8,873,500 150,000 103,023,813	8,873,500 - -	<i>Exercise price</i> 20 cents 20 cents 6 cents	<i>Expiry date</i> 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)				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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: 30 April 2014

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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