

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity	Eclipse Metals Limited
ACN	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	Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	63,000,000
3	Principal terms of the +securities (eg, 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
4	Do the +securities rank equally in all respects from the date of allotment 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	Shares issued will rank equally with existing fully paid Ordinary Shares on issue
5	Issue price or consideration	Issue price \$0.006 to raise \$360,000 from the issue of 60 million Shares
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	60,000,000 Shares Capital raising placement to provide further working capital to advance exploration work. <u>3,000,000 Shares</u> In lieu of cash for broking services in association with capital raising placement.

+ See chapter 19 for defined terms.

6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes				
6b	The date the security holder resolution under rule 7.1A was passed	At the Company's Annual General Meeting held on 25 November 2016				
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	3,000,000 Shares				
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Nil				
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	60,000,000 Shares 2016 Annual General Meeting held on 25 November 2016				
6f	Number of securities issued under an exception in rule 7.2	Nil				
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.	N/A				
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	N/A				
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	<u>Remaining Issue Capacity under Rule 7.1</u> 149,487,542 Securities <u>Remaining Issue Capacity under Rule 7.1A</u> 103,991,695 Shares				
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	<u>53,000,000 Shares</u> 20 - 23 January 2017 <u>10,000,000 Shares</u> 24 January 2017				
8	Current Number and ⁺ class of all ⁺ securities quoted on ASX	<table><tr><th>Number</th><th>Class</th></tr><tr><td>1,046,416,947</td><td>Ordinary Shares</td></tr></table>	Number	Class	1,046,416,947	Ordinary Shares
Number	Class					
1,046,416,947	Ordinary Shares					
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>Class</th></tr><tr><td>-</td><td>-</td></tr></table>	Number	Class	-	-
Number	Class					
-	-					
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable				

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable

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 and Securities issued on expiry or conversion of convertible securities

Questions 35 to 42 not applicable

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 not available now, 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:

Date: 24 January 2017

Print name: **Eryn Kestel**
Company Secretary

⁺ 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

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 date of issue or agreement to issue	647,106,824
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 <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	300,510,124 17,000,000 at the 2015 AGM on 30-11-15 15,299,999 at the 2016 AGM on 25-11-16 60,000,000 at the 2016 AGM on 25-11-16
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	1,039,916,947

+ 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	155,987,542
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>	6,500,000 - - -
“C”	6,500,000
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>	155,987,542
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	6,500,000
Total [“A” x 0.15] – “C”	149,487,542 <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>	1,039,916,947
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	103,991,694
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 <i>Notes:</i> • <i>This applies to equity securities – 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>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</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
“E”	Nil

+ 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>	103,991,694
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	103,991,694 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.