

30 April 2024

Quarterly Activities Report and Appendix 5B

For the Quarter ending 31 March 2024

Eclipse Metals Ltd (ASX: **EPM**) (**Eclipse** or the **Company**) (ASX: **EPM** | FSE: **9EU**) is pleased to report its activities for the financial quarter ending 31 March 2024.

HIGHLIGHTS

IVIGTÛT AND GRØNNEDAL, GREENLAND

- Eclipse Metals' mineral resource estimate (MRE) for its Gronnedal REE deposit in Greenland comprises 1.18 million tonnes grading 6,859 ppm rare earths elements (REEs as TREO) containing 8,074 tonnes TREO using a 2,000 ppm cut-off.
- The mineral resource estimate (MRE) extends from surface to a depth of 9.5 metres representing 80,000 tonnes per vertical metre (TVM).
- The resource remains open in all directions.
- The MRE represents a small fraction of a large carbonatite intrusive that has been drill-tested.
- The resource supports a significant upside case for initial investment and development.
- Eclipse has made positive progress towards securing a mining licence for Ivigtût and Grønnedal prospects.
- Extrapolating the outcropping area of carbonatite to a depth of 50m indicates a potentially significant exploration target of REE mineralisation.
- The grade range for the exploration target comprises a notable proportion of magnet REE (neodymium, praseodymium, dysprosium, and terbium), which has the potential to be competitive with other REE projects globally.
- Positive response and guidance from the Danish Centre for Environment and Energy (DCE) and the Greenland Institute of Natural Resources (GINR).

CORPORATE

- Half-yearly report and accounts released.
- In-principal negotiations progressing with parties for a listing on the Australian Securities Exchange of Oz Yellow Uranium Limited, incorporating certain Northern Territory uranium tenements currently held by Eclipse.

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Gronnedal Resource Area

As reported in the December 2023 financial quarter, Eclipse Metals announced that it had delineated a rare earth elements (REE) exploration target at Grønnedal within its 100%-owned Ivigtût multi-commodity project in southwest Greenland. On 9 February 2024 the company announced it had estimated a maiden near-surface JORC-compliant inferred resource. The exploration target encompasses a carbonatite section of about 3km by 800m that intrudes the syenite (Target Area) which encompasses the inferred resource. Overall, rare earth mineralisation at Grønnedal extends over an area of 5km by 2km of nepheline syenite. The inferred resource represents only a fraction of the Target Area. The Target Area shown in Figure 1 has been derived from a combination of recent exploration, a geophysical assessment and review of public domain data.

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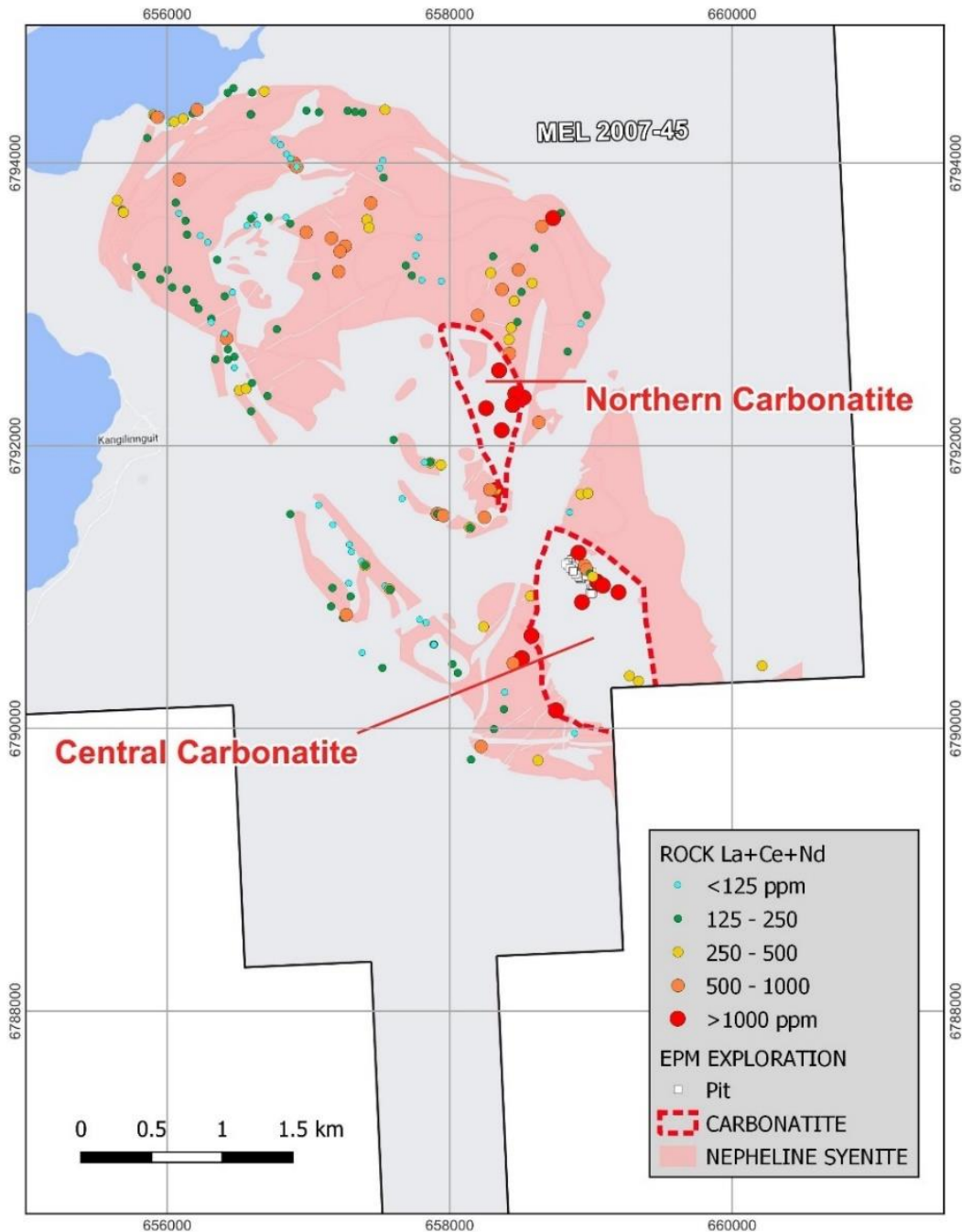


Figure 1: Gronnedal Resource Area (Target Area) within the Ivigtût Project, SW Greenland

Within the **Target Area**, the Grønnedal REE mineralisation has been defined in the northern part of a central block of carbonatite which measures about 1,400m north-south and 750m east-west. The carbonatite is truncated to the northwest by a dolerite dyke. Based on interpretation of geophysical data, **it is likely that this carbonatite extends to a depth of more than 500m below surface (Figure 2).**

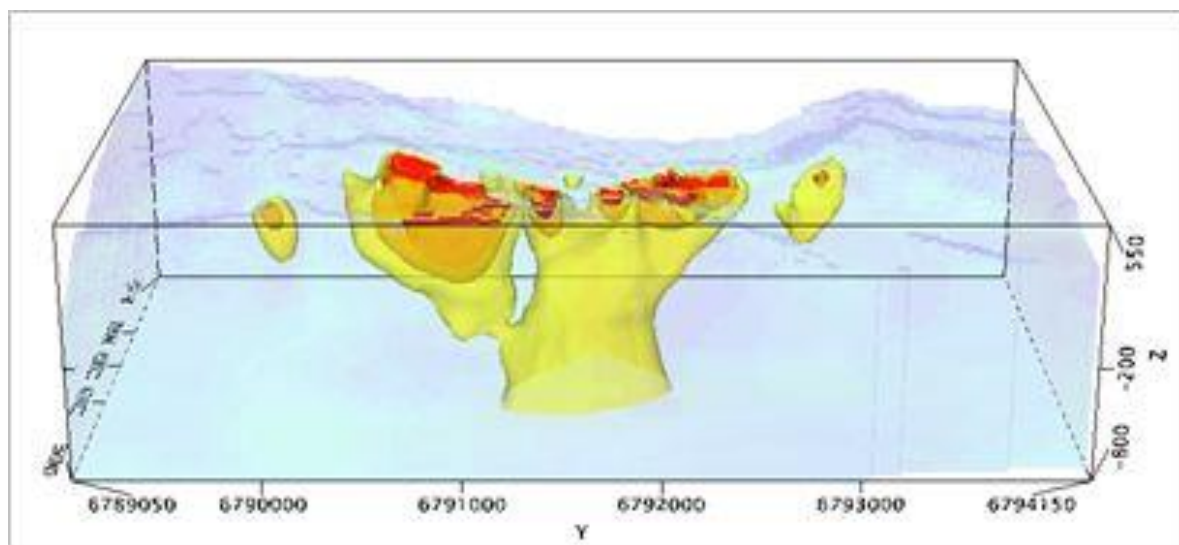


Figure 2: 3D inversion of a DIGHEM magnetic data survey over the Northern and Central parts of the Grønnedal carbonatite. The isosurfaces are red at 0.15, orange 0.13, yellow 0.11 SI (Fathom Geophysics)

The resource area is restricted to a relatively small portion of the carbonatite that has been tested by trench sampling and drilling. Mineralisation is developed from surface to at least the maximum vertical extent of drilling of 22m. **All mineralised holes ended in high-grade REE.** Trench-sampling has returned high REE grades to the northern and western limits of the sampling grid. The resource area remains open at depth, along strike and in width.

Resource Estimate

The resource footprint is defined by a combination of trench-sampling and drilling results. Trench sampling was carried out on a regular north-west oriented grid over a 300m-by-150m area within the carbonatite intrusive. TREO results of trenching samples show pervasive mineralisation over the sampled area with significantly higher grades located towards the southern and eastern areas. **It is also notable that mineralisation is spatially open-ended in all directions.**

Drilling comprised 33 vacuum holes for a total of 407m to an average depth of 12m. **Holes located within the carbonatite were mostly mineralised from surface to the end of hole.**

No metallurgical recovery work has been undertaken; however Eclipse believes that there are reasonable prospects for eventual economic extraction based on similar deposits elsewhere. Notable examples of carbonatite-derived REEs deposits are the Bayan Obo mine in China, Mountain Pass in the USA, and Mount Weld in Australia.

No open pit optimisation work has been carried out and thus the mineral resource estimate (MRE) is reported on a global basis.

The MRE is reported in Table 2 using a 2,000ppm TREO cut-off.

The resource is classified as inferred and is considered by the Competent Person to be appropriate for a project at this level of development. Resource upgrades may be possible with the adoption of either reverse circulation (RC) or diamond core sampling together with additional holes.

Classification	Inferred	Total
Tonnage (t)	1,180,000	1,180,000
Element	Grade (ppm)	Material Content (Tonnes)
TREO	6,859	8,070
LREO	6,266	7,380
HREO	593	700
MREO	2,385	2,810
CeO ₂	2,879	3,390
Dy ₂ O ₃	75	90
Er ₂ O ₃	16	20
Eu ₂ O ₃	86	100
Gd ₂ O ₃	188	220
Ho ₂ O ₃	9	10
La ₂ O ₃	789	930
Lu ₂ O ₃	1	0
Nd ₂ O ₃	1,879	2,210
Pr ₆ O ₁₁	414	490
Sm ₂ O ₃	306	360
Tb ₂ O ₃	18	20
Tm ₂ O ₃	2	0
Y ₂ O ₃	193	230
Yb ₂ O ₃	7	10

Table 2: Eclipse’s Grønnedal classified mineral resource in Greenland (differences may occur in totals due to rounding)

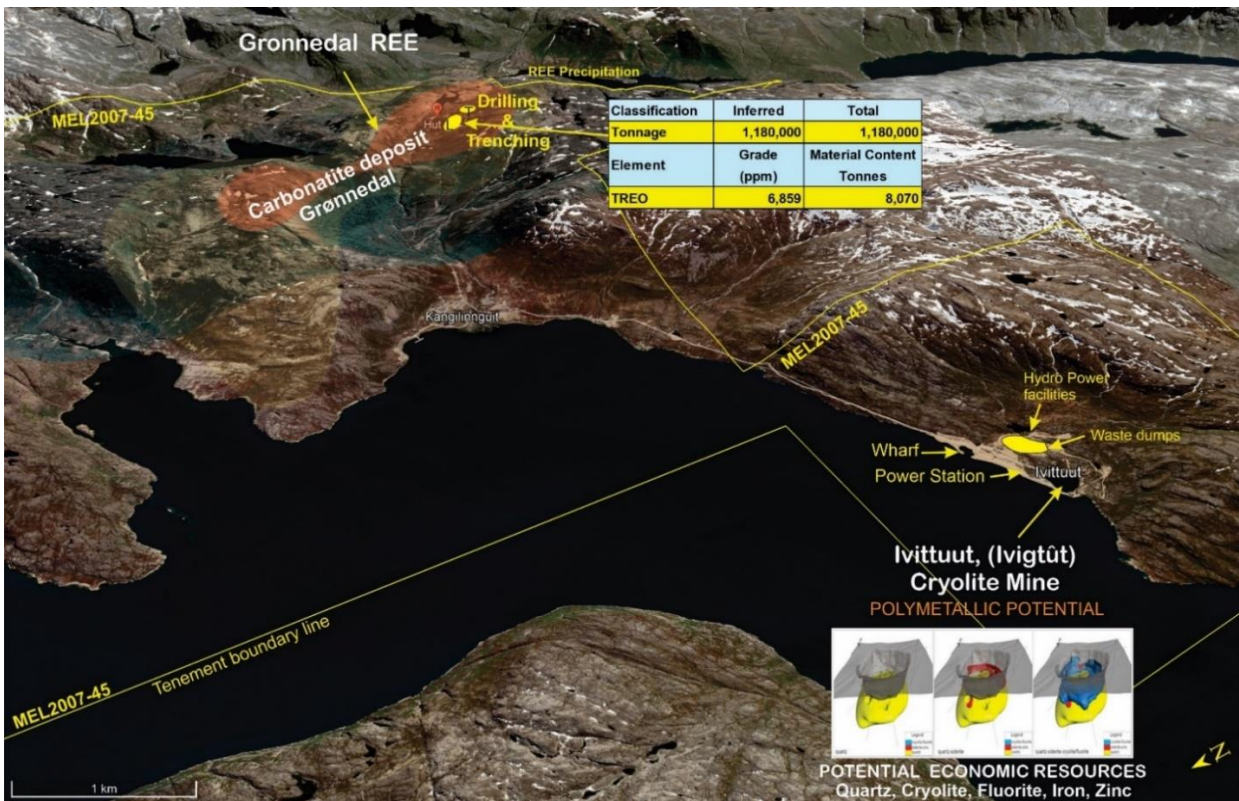


Figure 3: Eclipse’s Ivigtût and Grønnedal projects location map for Greenland

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It is possible that with an expanded sampling program, a proportion of the southern segment may be included, which could significantly boost the tonnage of the exploration target.

A program of diamond drilling is planned to test the carbonatite exploration target together with detailed geological mapping and petrological studies aimed at better understanding controls of REE mineralisation, particularly in the less well understood altered syenites.

Environmental and Social Impact Studies

Eclipse Metals has now received a **positive response and guidance** from the Danish Centre for Environment and Energy (DCE) and Greenland Institute of Natural Resources (GINR) following review of the company's initial *Scoping and Terms of Reference report* for its mining licence application 2007/45 at Ivigtût (Ivittuut) (refer to ASX release 6 April 2023). Eclipse has subsequently submitted the reports to Greenland's Mineral Licence and Safety Authority (MLSA) to progress the Ivigtût project.

Several recommendations have been made to the company, including water-sampling prior to dewatering the pit. Eclipse is confident of being able to meet all requirements and expects **progress to be made toward a mining licence during 2024**. The company has completed water-sampling and seaweed-sampling for assessment from around the historic sampling stations (mentioned in the 1995 environmental report) within the Ivigtût mine coastal marine precinct for comparison with historical results.

The company is focused on environmental, social and governance (ESG) aspects of its project portfolio and is committed to complying with internal ESG policies and protocols. The company will remain focused on these environmental and social aspects as it progresses project development.

Rejuvenating the Ivigtût mine project will provide valuable industrial and critical minerals for the high-tech EV revolution and green energy requirements with additional potential for REE, previously commercially neglected within the project site.

Eclipse's scoping phase for the Environmental and Social Impact assessments aims to identify potential environmental, social, and socioeconomic issues related to the project. This study phase is essential for pre-consultation and early involvement of the various stakeholders in the Greenland project.

The Social Impact Assessment (SIA) will run in parallel with the EIA and will present and analyse information about the social, economic, and health conditions in Greenland. As part of the study, the company will interact with potentially affected residents and communities during data collection to exchange information on project activities.

Uranium – Northern Territory

As announced to the ASX 29 November 2021, Eclipse executed a heads of agreement with Oz Yellow Uranium Limited (**Oz Yellow**) regarding the conditional sale of the company's interests in certain Northern Territory tenements, which comprise the Ngalia Basin Uranium Prospects and the Liverpool Uranium Project (**Proposed Transaction**), Figure 4.

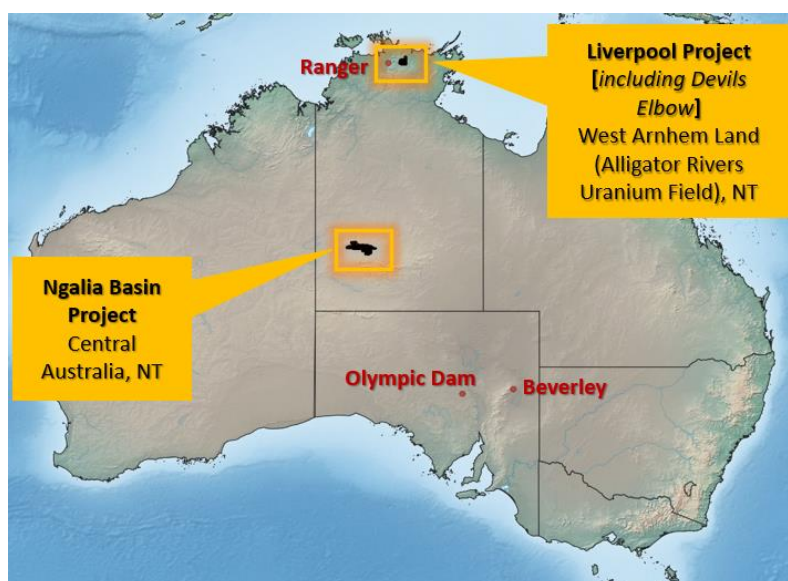


Figure 4: Proposed Oz Yellow uranium project location in Australia's Northern Territory marked in black

The Oz Yellow transaction includes 13 tenements and applications covering 5,646km² of ground across the Northern Territory, including:-

- Three granted tenements ready for immediate exploration.
- The ground has uranium, gold-palladium and vanadium potential.

The Proposed Transaction contemplates Oz Yellow undertaking an initial public offering and seeking a listing on the Australian Securities Exchange. In light of current positive momentum, there has been strong interest from several corporate financiers and lead managers to complete this transaction and submission of an in-principal application to list on the ASX. During the March quarter the company engaged in discussions with Oz Yellow's corporate advisors and brokers about completion of the Proposed Transaction. In addition, following a review of the NT Projects in the context of current market conditions, the structure of the IPO and consequently the structure of the consideration payable to Eclipse under the Proposed Transaction is under revision. Eclipse is expecting to update the market on the Proposed Transaction as details are finalised during financial year 2024.

CORPORATE

During the March quarter Eclipse Metals was exhibited as an exceptional investment opportunity selected by MiningNews.net. The Company's Greenlandic Rare Earth project was showcased to the MiningNews Select Sydney event on 17 and 18 March 2024. The MiningNews conference in Sydney ran over two days, with Eclipse's Executive Chairman, Carl Popal, presenting the Company's investment proposition to the Australian investor community along with leaders from some of the most promising junior mining stocks listed on the ASX.

On 7 March 2024, Eclipse released a comprehensive presentation compiling the Company's project potential, including REE, uranium, manganese, and copper project prospects.

During the quarter, the Company also announced a change of company secretary.

Eclipse's exploration and evaluation expenditure during the quarter was \$95,000. Full details of exploration activity during the quarter are set out in this report. There was no substantive mining production and development activities during the quarter. Payment to related parties of the company and its associates during the quarter was \$88,500. Eclipse advises that this relates to directors' fees and consulting fees. Further details on directors' remuneration are set out in the annual report.

For further information please contact:

Carl Popal
Executive Chairman

Stewart Walters
Investor Relations
stewart@marketopen.com.au



Competent Persons Statement

The information in this report that relates to exploration results and exploration targets together with any related assessments and interpretations is based on information compiled by Mr. Rodney Dale, a Non-Executive director of Eclipse Metals Limited. Mr. Dale holds a Fellowship Diploma from Royal Melbourne Institute of Technology (FRMIT), is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and 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. Mr. Dale has verified the data disclosed in this release and consents to the inclusion in this release of the matters based on the information in the form and context in which it appears. In the case of estimates of mineral resources, released on 9 February 2024, the Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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ADDENDUM – ECLIPSE METALS TENEMENT INTERESTS

Mining tenements held at the end of the quarter and their locations listed below.

Granted Tenements

Tenement	Project name	Commodity	Status	State	Holder	%	Graticular blocks
MEL2007-45	Ivigttû Project	Cryolite & Rare Earths	Granted	Greenland	Eclipse Metals Limited Greenland	100	50km2
EL 24808	Cusack's bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	51
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	4
EL27584	Devil's Elbow	Uranium, Gold, Palladium	Granted	NT	North Minerals Pty Ltd ³	100	30

Tenement Applications

Tenement	Project name	Commodity	Status	State	Holder	%	Graticular blocks
ELA 24623	Eclipse	Cu, Uranium	Application	NT	Eclipse Metals Ltd	100	305
ELA 26487	Yuendi	Cu, Uranium	Application	NT	Whitvista Pty Ltd ²	100	320
ELA 31065	Liverpool 1	Uranium	Application	NT	Eclipse Metals Ltd	100	68
ELA 31499	Ngalia 1	Uranium	Application	NT	Eclipse Metals Ltd	100	249
ELA 31500	Ngalia 2	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31501	Ngalia 3	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31502	Ngalia 4	Uranium	Application	NT	Eclipse Metals Ltd	100	226
ELA 31770	Liverpool 2	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 31771	Liverpool 3	Uranium	Application	NT	Eclipse Metals Ltd	100	240
ELA 31772	Liverpool 4	Uranium	Application	NT	Eclipse Metals Ltd	100	51
ELA 32077	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	195
ELA 32078	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248
ELA 32079	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248

1 Walla Mines Pty Ltd is a subsidiary of Eclipse Metals Ltd

2 Whitvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

3 North Minerals Pty Ltd is a subsidiary of Eclipse Metals Ltd

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ECLIPSE METALS LIMITED

ABN

85 142 366 541

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(79)	(383)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(219)	(522)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material) BAS	55	75
1.9	Net cash from / (used in) operating activities	(240)	(823)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation *	(16)	(332)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Cash acquired on acquisition	-	-
2.6	Net cash from / (used in) investing activities	(16)	(332)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	946
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(5)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	941

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	920	879
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(240)	(823)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(332)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	941

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(1)
4.6	Cash and cash equivalents at end of period	664	664

* Prior quarter amounts have been re-positioned for consistency with current quarter disclosures.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	664	920
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	664	920

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	88.5
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		
<p>Payments of Directors fees \$88.5K (excl. GST)</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(240)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(16)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(256)
8.4 Cash and cash equivalents at quarter end (item 4.6)	664
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	664
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: the Board.
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.