ABN 85 142 366 541

Annual Report

For the financial year ended 30 June 2020

Corporate Directory

DIRECTORS

Mr Carl Popal	Executive Chairman
Mr Rodney Dale	Non-Executive Director
Mr Ibrar Idrees	Non-Executive Director
Mr Pedro Kastellorizos	Non-Executive Director (Appointed 1st July 2020)

COMPANY SECRETARY

Ms Eryn Kestel

REGISTERED OFFICE

Level 3, 1060 Hay Street
West Perth WA 6005
Ph.: +61 8 9480 0420
Fax: +61 8 9321 032

PRINCIPAL PLACE OF BUSINESS

Level 3, 1060 Hay Street
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CONTACT DETAILS

Website: www.eclipsemetals.com.au
Email: info@eclipsemetals.com.au

AUDITORS

Stantons International
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

SECURITIES EXCHANGE

Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth, Western Australia 6000

ASX Code: **EPM**

SHARE REGISTRY

Automic Group
Level 2/267, St George Terrace
Perth, WA 6000

COUNTRY OF INCORPORATION

Australia

Contents

Directors' Report

The directors of Eclipse Metals Limited ("Eclipse" or "the Company") submit herewith the annual report of the Company and its controlled entities ("Group") for the financial year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1. DIRECTORS

The names of the directors in office at any time during or since the end of financial year are:

Carl Popal	Executive Director	Re-Appointed as executive chairman 16 March 2020
Rodney Dale	Non-Executive Director	Appointed as non-executive director 16 March 2020
Ibrar Idrees	Non-Executive Director	
Pedro Kastellorizos	Non-Executive Director	Appointed on 1 July 2020

2. COMPANY SECRETARY

The following person held the position of company secretary at the date of this report:

Eryn Kestel

3. PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year was mineral exploration.

There were no significant changes in the nature of the Group's principal activity during the financial year.

4. OPERATING RESULTS

The Group reported a net loss of $319,132 for the financial year ended 30 June 2020 (2019:net loss of $316,256).

5. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, there were no significant changes in the state of affairs of the Group other than those disclosed in the annual report.

7. AFTER BALANCE DATE EVENTS

Mr Pedro Kastellorizos was appointed as a non-executive director on the 1st July 2020. Mr Rod Dale has disposed of 3,000,000 ordinary shares at a price of $0.007 per share on the 2nd of July 2020. On the 30th July 2020, the Company announced that it had secured the consent of Traditional Land Owners to negotiate with the Northern Land Council for the purpose of uranium-gold exploration and mining within ELA 31065 and ELA 31770.

There has not been any matter or circumstance that has arisen since the end of the reporting date and to the date of this report which significantly affects or may significantly affect the results of the operations of the Group.

8. ENVIRONMENTAL ISSUES

The Group's environmental obligations are regulated under both State and Federal Law. The Group has a policy of complying with its environmental performance obligations. As at the date of this report, the Group does not have any environmental issues that needs to be addressed.

Directors' Report (cont'd)

9. REVIEW OF OPERATIONS

HIGHLIGHTS

- **Devil's Elbow exploration licence 27584 granted following successful negotiation of Aboriginal Land Rights Agreement**
- **Detailed interpretation of historical geophysical data reveals new walk up drill targets within Devil's Elbow tenement (EL 27584)**
- **Cusack's Bore EL 24808 within Ngalia tenement group, gravity survey outlines potential paleochannels**
- **Ngalia North EL 32080 granted**
- **Applied for Geophysics and Drilling Collaboration funding grant for Devil's Elbow EL from Northern Territory Government**
- **Applied for Collaborative Exploration Initiative funding grant (CEI) for Amamoor geophysical and drilling program**
- **Independent valuation of Devil's Elbow mineral asset.**

NORTHERN TERRITORY

Devil's Elbow Prospect, Liverpool Uranium Project

During the financial year, the terms of an Aboriginal Land Rights Agreement were negotiated over several months with Northern Land Council (**NLC**). Subsequently the Company met with the Traditional Landowners through their legal representatives, the NLC, at Oenpelli in the Northern Territory for the purpose of formalising the Aboriginal Land Rights Agreement (ALRA) regarding uranium-gold-palladium exploration and potential mining within ELA 27584. The Company successfully concluded negotiations on this long-awaited Agreement in December 2019. Under the Agreement, consent is granted by the Traditional Owners for bilateral benefits, ratified by NLC.

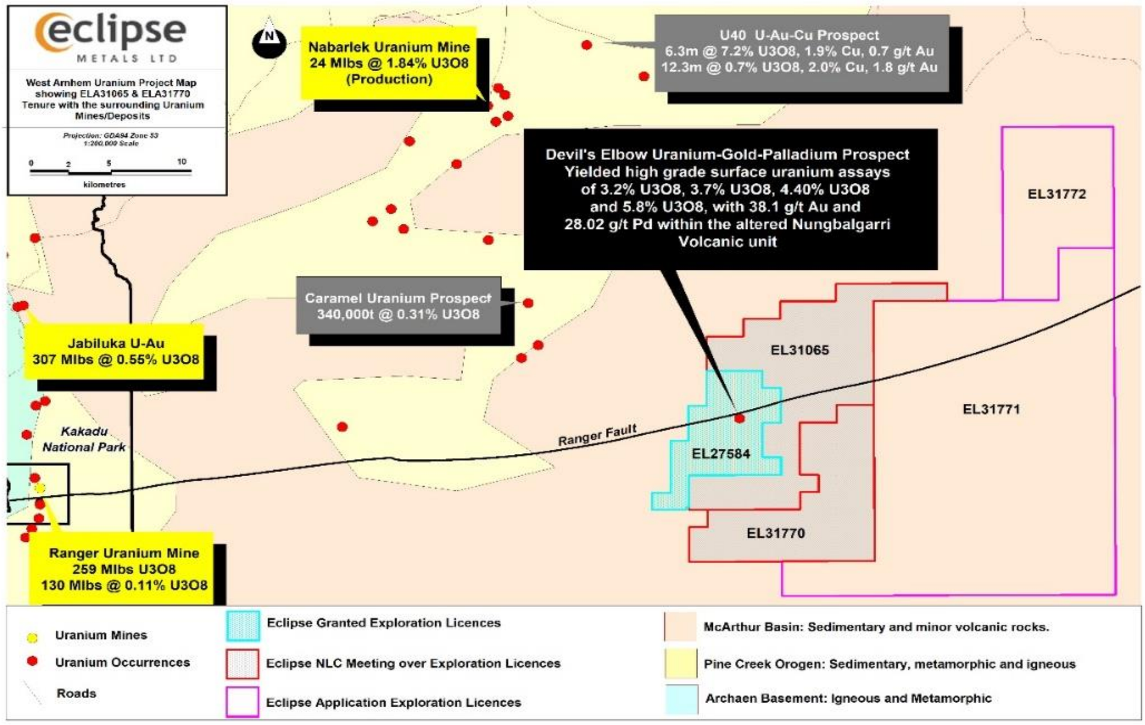

Figure 1 Location map showing Eclipse Tenements Straddling Ranger Fault

(Refer to ASX Announcements: 25 August 2020 - Updated Investor Presentation; 30 July 2020 – Another Landmark Decision with Traditional Owners; 22 August 2016 – Rio Tinto & Eclipse Metals Ltd Farm-in Joint Venture and 9th February 2015 – Results from Data Review Devil's Elbow Uranium Prospect)

Following approval by the Commonwealth Minister for Indigenous Australians, EL 27584, Devil's Elbow (100.45sqkm), was granted by the NT Department of Primary Industry and Resources on 29 May 2020.

The Devil's Elbow prospect lies within a group of four tenements with a total area of 1,463sq km known as the Liverpool Project area within the world-class Alligator Rivers Uranium Field, straddling the Ranger Fault. Major uranium explorers such Rio Tinto, Cameco Australia, DevEx and Alligator Energy Ltd are a few companies which hold significant exploration ground within this district.

Subsequently, a meetings was arranged with the NLC and Traditional Owners to negotiate conditions for granting of adjoining exploration licences ELA31065 and ELA31770 (see Figure 1), which will add considerable prospective ground along this part of the Ranger Fault and radiometric anomalies to the east and south-east from Devil's Elbow.

Devil's Elbow Geophysical Background

Early in the calendar year, extensive review and analysis of newly acquired geophysical data was conducted by an independent geophysical consultant. The company was able to access hitherto unavailable data from earlier explorers, particularly Cameco Corporation of Canada. As a result, the structural framework within EL27584 has been mapped out for the first time.

This geophysical and geological review highlights potential for delineation of uranium mineralisation within the Devil's Elbow U-Au-Pd project. Airborne radiometric surveys are the most common technique used in uranium exploration and have successfully discovered many significant deposits in the Northern Territory and worldwide.

The Devil's Elbow prospects have strong similarities to the Jabiluka Uranium-Gold mine which was discovered in 1971 following-up a low order anomaly from a ground radiometric survey. Jabiluka is located 20km to the north of the Ranger uranium mine, about 75km to the west of Devil's Elbow. The uranium and gold mineralization occurs in an altered member of the Cahill Formation, proximal to reverse faulting structures.

In 2012 /13 the reserves at Jabiluka were quoted as 67,700t U3O8 ore; measured and indicated resources of 16,440t at 0.36% U3O8 and inferred resources of 57,500t of 0.48% U3O8, with a gold resource of 1.1Mt at 10.7g/t for 385,850oz. The Jabiluka deposits were discovered by drilling following trenching in an area of high-grade mineralized float. This is amongst the world's largest and highest-grade uranium deposits.

In the Alligator Rivers Uranium Field, airborne radiometric surveys detected significant uranium mineralisation at Ranger 1, Koongarra and Nabarlek. The largest radiometric anomaly at Ranger 1 was 15 times background intensity and extended over an area of 7 km by 1.5 km (Rowntree and Mosher 1975). The Ranger 1 mineral resource was 18.04 Mt @ 0.34% U with 60,961 t contained U3O8. By contrast, the Koongarra U-Au anomaly was detected on one flight line and had an extent of only 100 m. This small weak radiometric anomaly yielded the Koongarra 1 and 2 deposits. Koongarra 1 has a mineral reserve of 1.82Mt @ 0.79% U3O8 with 14,512 t contained U3O8 and 100,000 oz Au and Koongarra 2 mineral resource is 0.66Mt @ 0.30% U3O8 with 2,000 t contained U3O8 (Bajwah ZU. & Lally, 2006).

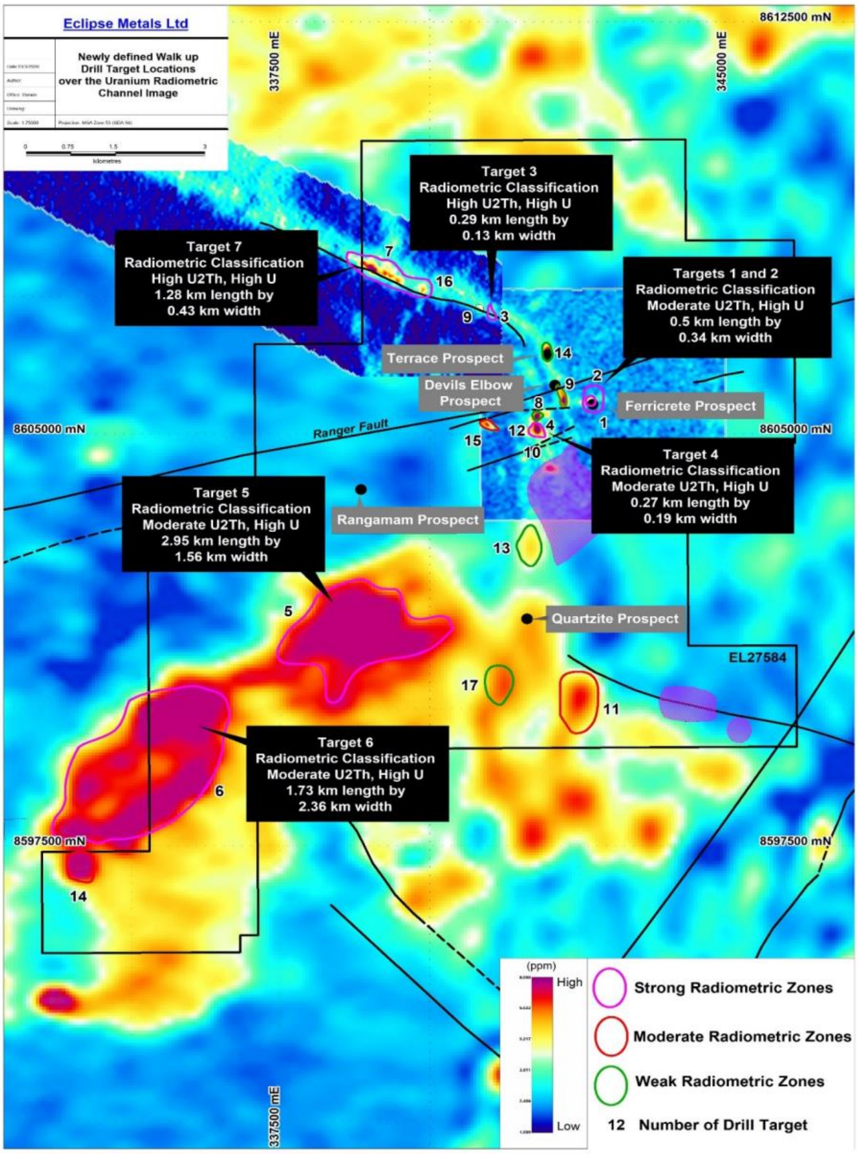

Figure 2 Defined Walk-up Drill Target Locations over the uranium radiometric anomaly image. Colour scheme used: RED/PINK = high, BLUE = low.

(Refer to ASX Announcements: 27 August 2020 - Updated Presentation; 17 August 2020 - Walk Up Drill Targets Defined within Devil's Elbow Project - 9th February 2015 - Results from Data Review Devil's Elbow Uranium Prospect - 22 August 2016 - Rio Tinto & Eclipse Metals Ltd Farm-In Joint Venture)

Directors' Report (cont'd)

Seventeen (17) robust walk up drill targets have been defined within the Devil's Elbow Exploration Licence based on integration of all geophysical products generated from Cameco Australia Pty Ltd historical geophysical surveys (see Figure 2). Several priority drill targets delineated have radiometric signatures similar to known uranium deposits within the Alligator Rivers Uranium Field. Abundant magnetic lows coinciding with radiometric anomalies potentially outline alteration halos known to be associated with uranium mineralisation.

Target No	Drill Target Rank	Radiometric Features	Magnetic Features	Magnetic Structure
1	1	Moderate U2Th, High U	Shallow Residual flat Low	Ranger Fault, Northern Splay
2	1	Moderate U2Th, High U	Shallow Residual flat Low	Ranger Fault, Northern Splay
3	1	High U2Th, High U	Shallow Residual Gradient	Strong unit boundary with cross structure
4	1	Moderate U2Th, High U	Shallow Residual Low and variable	Complex Structural Zone
5	1	Moderate U2Th, High U	Shallow Residual Low to variable	Complex Structural Zone
6	1	High U2Th, Moderate U	Shallow Residual High	Strong unit boundary with structural intersection zone
7	1	High U2Th, High U	Shallow Residual High	Strong unit boundary with cross structure
8	2	High U2Th, High U	Shallow Residual Low	Ranger Fault, Northern Splay
9	2	Moderate U2Th, High U	Shallow Residual Moderate	Strong Unit boundary within cross structure - Ranger fault northern splay
10	2	High U2Th, High U	Shallow Residual Low	On a structure
11	2	Moderate U2Th, High U	Shallow Residual High	On a structure
12	3	High U2Th, High U	Shallow Residual High	On a structure cutting the host unit
13	3	High U2Th, High U	Shallow Residual High	On a structure cutting the host unit
14	3	High U2Th, High U	Shallow Residual Gradient	Strong unit boundary within subtle cross structure
15	3	Moderate U2Th, High U	Shallow Residual High	Strong unit boundary within cross structure belt orientation change
16	3	High U2Th, High U	Shallow Residual Low	On a structure cutting the host unit
17	3	U2Th gradient, Moderate U	Shallow Residual Low to gradient	On a structure

Most radiometric target areas identified are small in size (diameter < 1km) over and proximal to the Devil's Elbow, Terrace and Ferricrete prospects. The main limitation of airborne radiometric surveys is depth penetration. The experience at Jabiluka showed that even a large deposit is rendered 'blind' by a thin cover of overburden (less than 3m over Jabiluka 1). These surveys are still used as a very cost-effective means of rapidly assessing large areas for priority targets from surface anomalies (Lally and Bajwah, 2006).

From these results, weak radiometric anomalies coincide with uranium mineralisation over Devil's Elbow U-Au-Pd prospect which has yielded high grade surface uranium assays of **3.2% U_3O_8**, **3.7% U_3O_8**, **4.40% U_3O_8 and 5.8% U_3O_8**, with **38.1 g/t Au** and **28.02 g/t Pd**.

The Terrace anomaly is located at the northern end of the Devil's Elbow area, characterised by a small weak radiometric anomaly. Significantly, approximately 20 boulders of ferruginous sandstone float have been identified historically as anomalous in uranium, with one boulder being highly anomalous, containing **0.21% U_3O_8**. The boulders are located near a major southeast trending lineament.

The Ferricrete uranium prospect has also been classified as a weak radiometric anomaly. This is located to the southeast of the Devil's Elbow area, within a deeply incised valley coincident with an east-northeast trending fault splay off the Ranger Fault. Assays from ferricrete / ironstone samples returned up to **0.35% U_3O_8**. Historical trenching across the valley floor returned assay results of up **0.44% U_3O_8** with enriched gold, associated with lateritic clays.

Two large and unexplained uranium anomalies located to the south-west of the Devil's Elbow prospect have been flagged for immediate follow-up (refer to Figure 1 - Targets 5 and 6). They remain high priority targets based on size and radiometric signatures, which are similar to known uranium deposits across the Alligator Rivers Uranium Field. These radiometric target zones remain unexplored by previous companies and will require ground verification to assess the radiometric source.

Based on reinterpreted radiometric data, Eclipse has determined the uranium mineralisation is closely associated with radiometric signatures over EL27584. The potential to delineated further uranium mineralisation to the south-west is very encouraging as these are very strong radiometric features. Ground investigation over these radiometric anomalies will commence during the dry season. Results from this work will be further refined to facilitate new exploration programs.

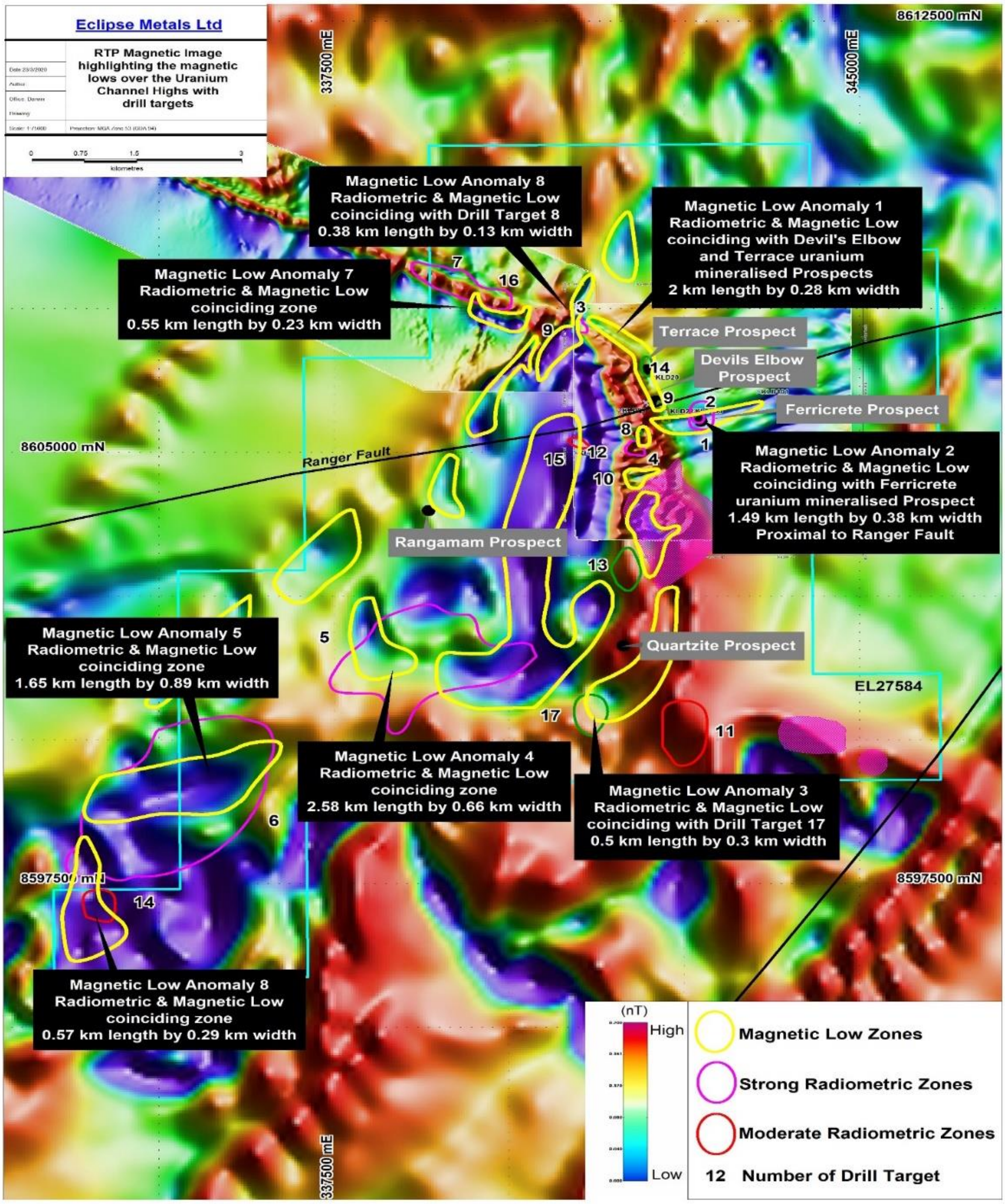

Figure 3 Defined Magnetic Lows coinciding with radiometric Anomalies. The colour scheme used is as follows: RED = high, PURLPE/BLUE = low

(Refer to ASX Announcements: 27 August 2020 – Updated Investor Presentation and 17 August 2020 - Walk Up Drill Targets Defined within Devil's Elbow Project)

Based on re-interpretation of the magnetic data, it has been noted that there are extensive magnetic lows which coincide with the radiometric anomalies at the Devil's Elbow, Terrace and Ferricrete prospects. This was previously unknown to Eclipse and further highlights the potential for alteration halos being associated with uranium mineralisation. Figure 3 highlights the extensive semi-coincident magnetic lows and radiometric anomalies within EL27584. Eight targets have been defined to date.

Subsequent to the end of the financial year, an initial helicopter borne reconnaissance visit was conducted to assess logistical requirements and to scope the sites of significant radiometric anomalism for access by ground crews and drilling equipment. Areas of high radioactivity were confirmed for future reference.

Directors' Report (cont'd)

At Devil's Elbow surface total count/second (CPS) scintillometer readings were very high confirming historical results from exploration activities by Cameco and Uranerz. The reconnaissance trip confirmed that the main U-Au-Pd mineralised zone is hosted within the altered Nungbalgarri Volcanic unit. Minor hematite and chlorite alteration were observed within areas of high radioactive response. The highest count measured was 2,200 CPS with other high values including 950, 750, 650 and 400 CPS against background readings of 130CPS within the Devil's Elbow Prospect area. (see Figure 4 photograph) refer ASX Announcement (*refer to ASX Announcement:27 August 2020 – First Reconnaissance Trip to Devils Elbow Project*).

Figure 4 Taking scintillometer reading adjacent Goomadeer River, Devil's Elbow

Planning is advanced for a further reconnaissance site visit to investigate and develop logistical requirements in more detail to facilitate ground access for drilling equipment and camp during the dry season.

During the year, the Company also applied for a Geophysics and Drilling Collaboration funding grant through the NT Geological Survey but was unsuccessful on this occasion.

Ngalia Basin Uranium, Vanadium Project

Eclipse now holds rights to a dominant exploration position over the uranium and vanadium prospective and under-explored central portion of the Ngalia Basin, (see Figure 5), located 300km west-northwest from Alice Springs. The project tenements, (granted EL24808 and EL 32080) plus further applications made in 2019 cover 6,615sqkm of prospective geology - where previous explorers outlined 400 linear km of uranium prospective paleochannel systems including the "Afghan Swan" prospect.

Directors' Report (cont'd)

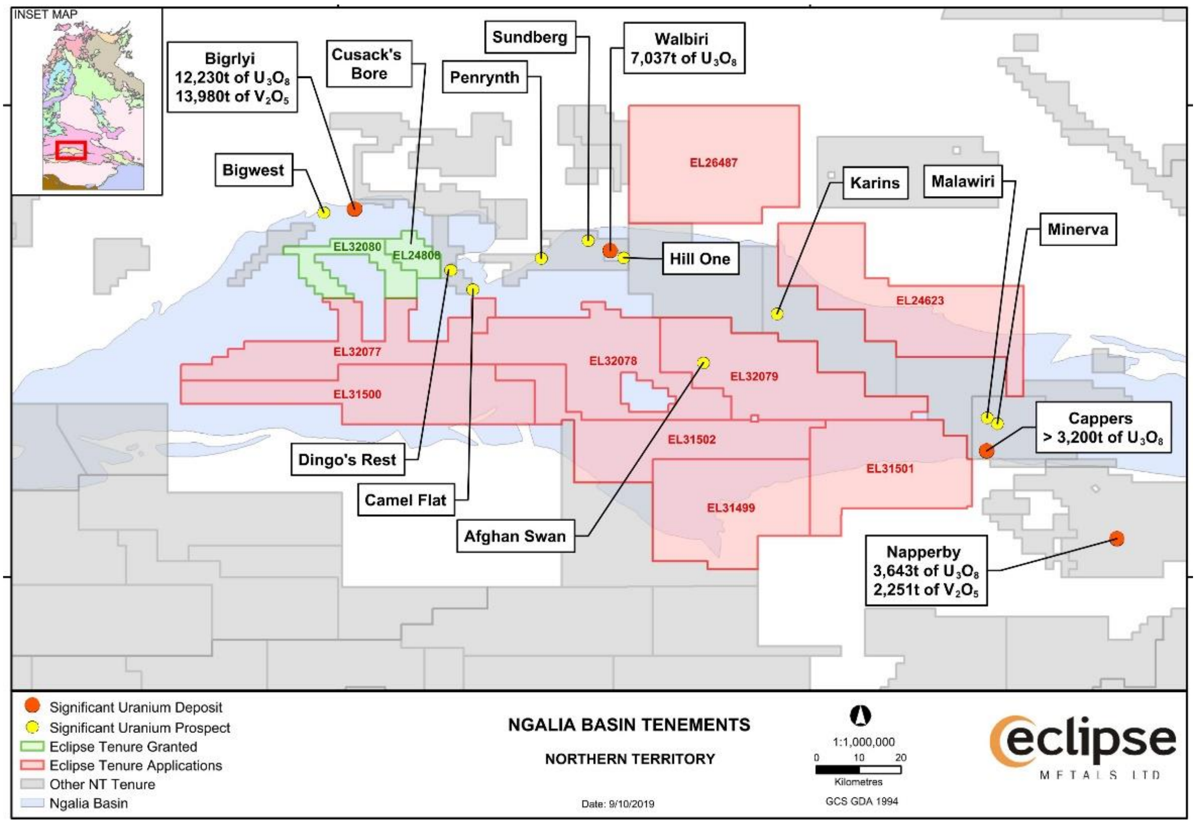

Figure 5 Ngalia Basin location and tenement map

*(Refer to ASX announcements: 25 August 2020 – Updated Investor **Presentation** and 11 January 2019 - Positive Progress on Gravimetric Survey over EL24808)*

The Ngalia Basin notably hosts the Bigrlyi deposit (inferred and indicated resources of 9,570t of U_3O_8 at 1,283 ppm and 8,930t of V_2O_3 averaging 1197 ppm at 500 ppm U_3O_8 cutoff); the Capper deposit (Inferred Resource 3,200t of U_3O_8, averaging 145 ppm U -at 100ppm cutoff) and the Napperby Project (inferred resource of 3,643t of U_3O_8 at 382 ppm U at and 2,251t of V_2O_3 grading 236 ppm -at 200 ppm U_3O_8 cutoff).

Energy Metal's Bigrlyi Uranium project, some 10km NW of EL24808, consists of at least 15 separate anomalies over a 14km strike length. The Eclipse Project tenements cover ground considered prospective for sandstone-hosted Bigrlyi style and possible palaeochannel-hosted uranium and vanadium mineralisation.

Early in 2019 the Company completed interpretation of a geophysical gravity survey on EL24808, Cusack's Bore. This survey was successful in identifying targets for uranium mineralisation in interpreted paleo-channels.

Encouraged by this development, Eclipse has prepared for further targeted exploration. The geophysical results were further assessed during the 2020 financial year and planning commenced for a reconnaissance drilling program to test indicated paleochannels (see Figures 6 and 7).

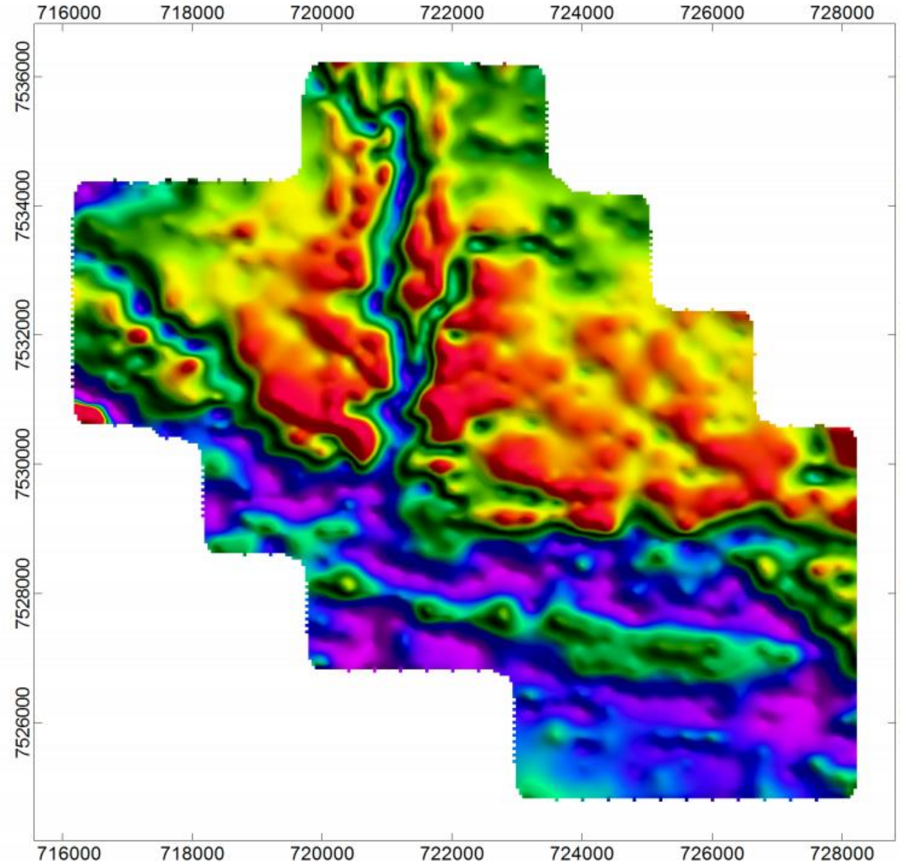

Figure 6 First Vertical Derivative (vertical rate of change) Gravity contours in mgal over EL24808, modelled with basement at a nominal density of 2.67

(Refer to ASX announcement: 7 March 2019 – Positive Results from Gravimetric Survey from EL 24808)

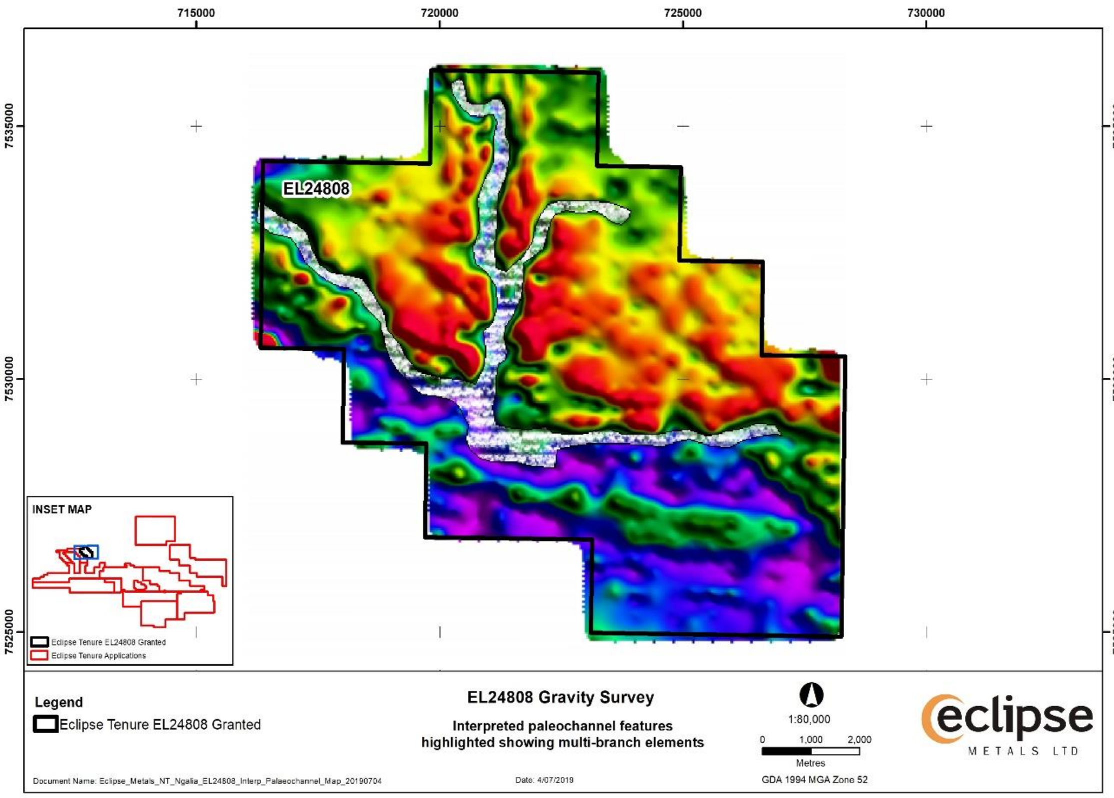

Figure 7 Interpreted paleochannel features highlighted - note additional multi-branch elements to interpretation in Figure 6

(Refer to ASX announcements: 25 August 2020 – Updated Investor Presentation and 11 January 2019 - Positive Progress on Gravimetric Survey over EL24808)

Limited availability of drilling contractors and then travel restriction due to COVID-19 has precluded execution of an exploration program to date. Adjoining Cusack's Bore to the south, EL32080 was granted on 23 August 2019. This EL covers earlier interpreted paleochannels, extending in part from adjoining EL24808. Due to timing and the issues noted above, no field work has yet been undertaken.

MARY VALLEY MANGANESE PROJECT, QUEENSLAND

The Mary Valley Manganese Project is located in the Gympie district in southwest Queensland. The largest mine on EPM17938 was at Amamoor No.1 Manganese Deposit (19,630t @ 51% Mn). Subsequently, within only two limited areas of the Mary Valley project, surface technical evaluation indicated the potential for several thousand tonnes of near-surface high grade manganese mineralisation (see ASX release 17 March 2015).

The nearest shipping port from the area is located near Brisbane, approximately 130 kilometres to the south. The Gympie to Brisbane Railway line is approximately 16Km east from the Amamoor project area (see Figure 8).

Eclipse Metals Ltd (Eclipse) Mary Valley Manganese Project is comprised of granted Exploration Permits for Minerals (EPM's) 17672 and 17938. The Amamoor Project tenement, EPM17938, is located approximately 6km to the west of the small town of Amamoor, about 20km south from Gympie, a major regional town in southeast Queensland. The most significant site of manganese mineralisation within the project area is the historical Amamoor Manganese Mine.

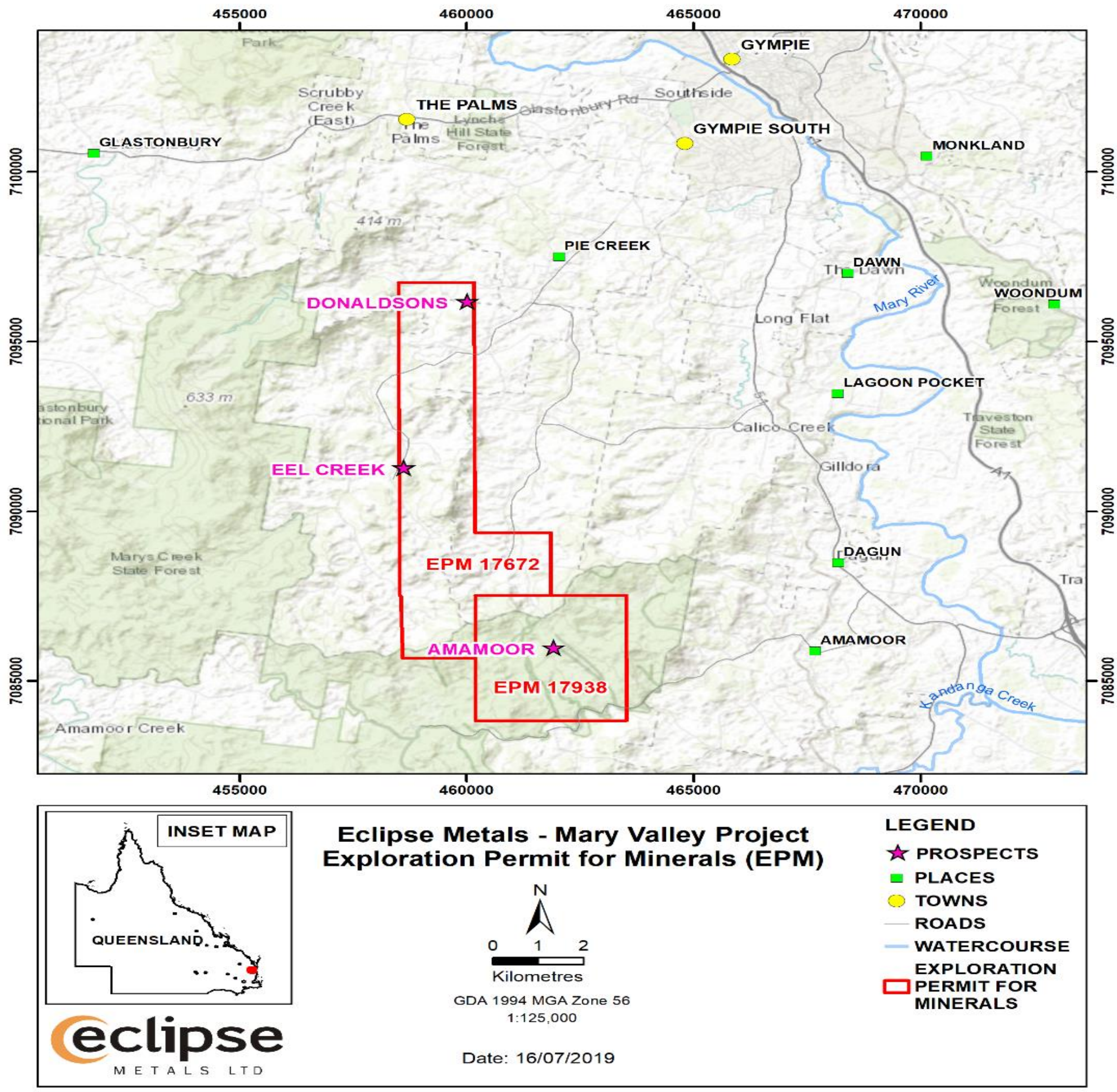

Figure 8 Mary Valley location and tenement map.

The Amamoor mine contributed the majority of previous manganese production from the Mary Valley region, producing ores from shallow open-cut excavations. More recent workings obliterated earlier workings which comprise both access cuts, made to enable vehicle movement and narrow pits from which ore was mined. Excavations followed the trend of mineralisation, excavated using a bulldozer to scrape progressively deeper benches into the weathered rocks. There is no evidence of deeper open-cut or underground mining. Mining at the Amamoor Manganese Mine occurred in four phases- 1920 to 1926; 1937 and 1938; 1950 to 1954, 1958 and 1959.

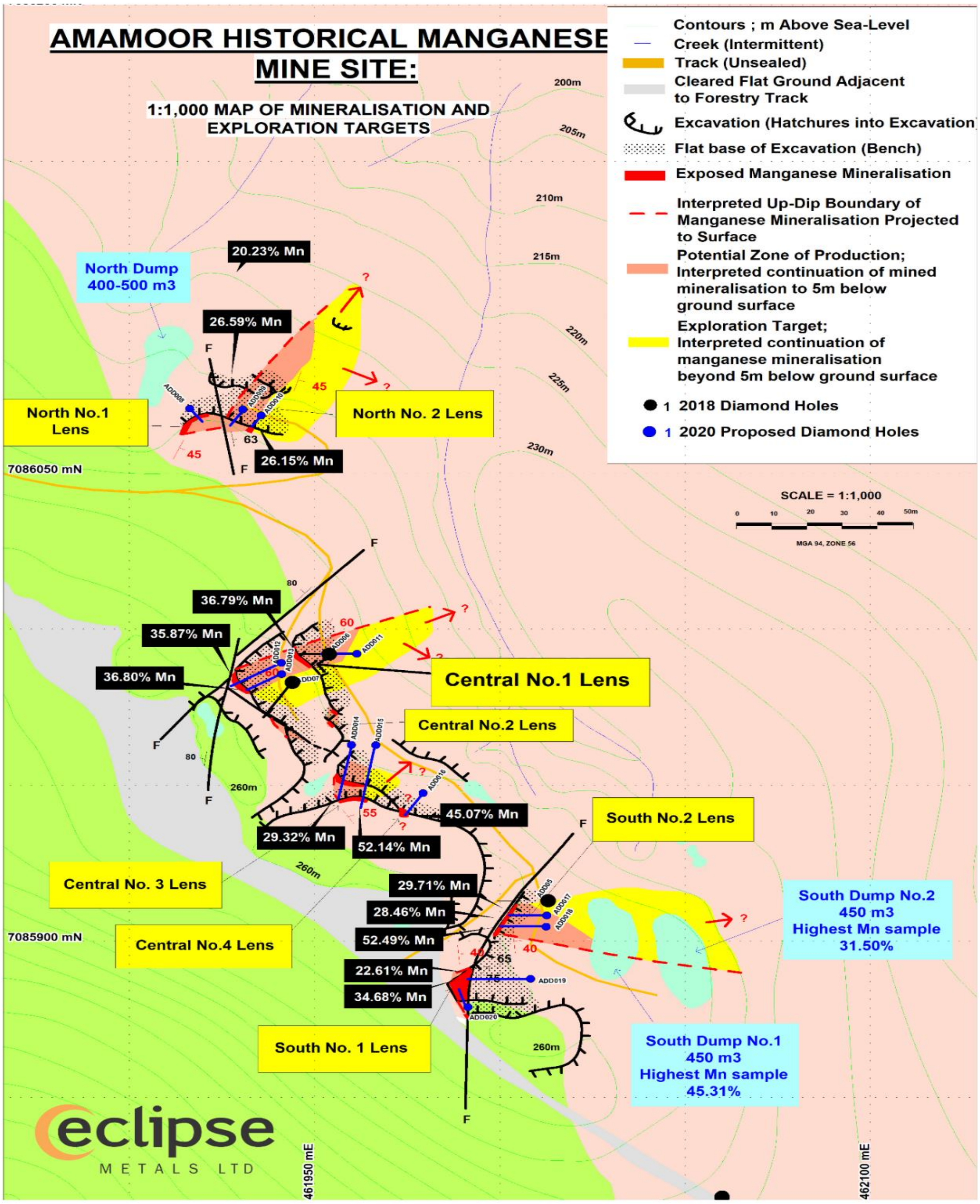

Figure 9 Amamoor geology, historical mine sites and drill hole locations

(Refer to ASX Announcements: 25 August 2020- Updated Investor Presentation and - 17 August 2020 – Stage Two Diamond Drilling Commencing in Mary Valley)

Drill samples in 2018 returned assays ranging up to **62% MnO** from parallel dipping formations which are open along strike in both directions and at depth. It is planned to drill several additional holes to depths of up to 60m to test these extensions with a view to establishing the extent of this mineralisation and an initial high-grade minable resource.

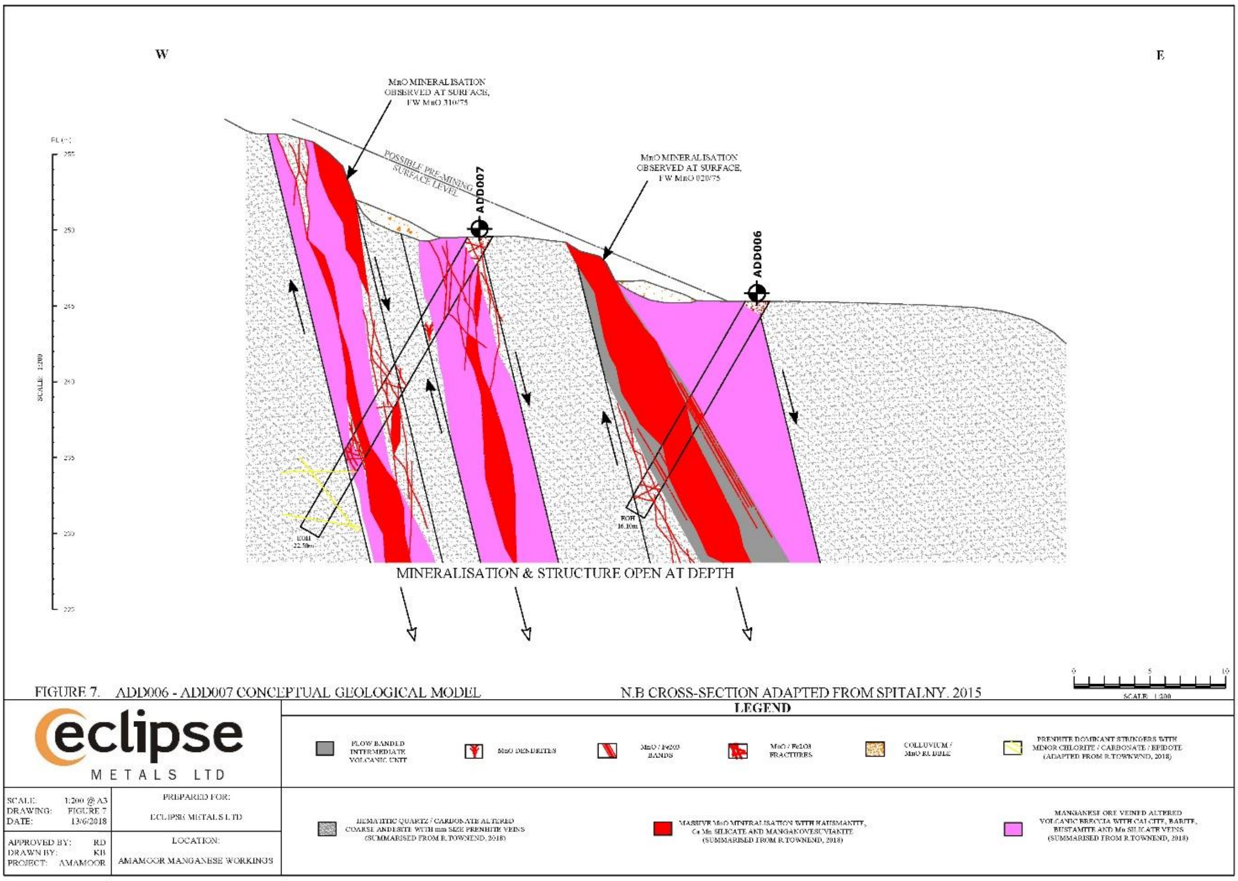

Figure 10 Amamoor 2018 Drill intersections and interpretation

(Refer to ASX Announcements: 25 August 2020 – Updated Investor Presentation; - 7th November 2018 – Mary Valley Manganese Project Update; 12th January 2015 - Commencement of 3rd Phase of Exploration - Mary Valley

The deposit model has characteristics similar to the Woodie Woodie deposit in Western Australia and Cuban style deposits of manganese minerals. It appears that early workers assumed the manganese rich formations were tabular bodies lying on the north-eastern slopes of steep ridges. Geological investigations and drilling conducted by Eclipse Metals has demonstrated that manganese enrichment occurs in steeply NE dipping formations, probably as fault replacements cutting across the host geological beds, refer cross section for holes ADD006 and 007, Figure 10 above.

Planned Drilling Activities at Mary Valley

During the fourth quarter of the financial year, planning commenced for further geophysical surveys and drilling on the Amamoor prospect, to be carried out later in 2020.

A program of work has been formalised and permits to undertake a second phase of diamond drilling at Amamoor are in place. The Company has engaged personnel to supervise the drilling program in conjunction with technical direction from the Board. The Company has engaged a local contractor with the appropriate drilling rig and experience in the area who has advised availability to commence the drilling program at Mary Valley later in September 2020.

Positive metallurgical results carried-out on core from the 2018 drilling program confirm that concentrates produced from manganese mineralisation at Mary Valley are amenable to beneficiation with acceptably low phosphorous content.

Review of petrophysical data from test-work on drill core from the 2018 program was re-evaluated and it was concluded that a close-spaced ground magnetometer survey could provide a strong guide to better understand geological structure and distribution of manganese mineralization. A limited ground magnetometer survey is planned to be completed prior to undertaking further drilling.
Amamoor manganese mineralisation is predominantly composed of hausmannite and braunite and contains a new species of manganese mineral identified during petrological studies, named after this location as Amamoorite. This name has been accepted by the International Mineralogical Association (IMA) after study by several senior research establishments.

The Company applied for Collaborative Exploration Initiative (CEI) grants for drilling and non-drilling activities but was unsuccessful on this occasion.

CORPORATE

In March 2020, Mr Carl Popal resumed the position of Executive Director of the Company and Mr Rodney Dale reverted to the position of Non-Executive Director.

Given the capital-intensive requirements of exploration, Eclipse is committed to undertaking capital raising processes that are disciplined, low-risk but high return and therefore on the back of these objectives, the Company undertook a number of private Share placements during the 2020 financial year.

A total of 254,809,441 fully paid Ordinary Shares were issued in 3 private placements to sophisticated investors to raise a total of $1,005,619 before costs in October 2019, April and May 2020. Funds from these placements have been directed to "gear up" the Company to commence exploration on the Devil's Elbow Project as well as for general working capital, administration and corporate related expenses.

Independent Valuation

An independent valuation of the Devil's Elbow prospect was commissioned.

Corporate Geoscience Group ("CGSG") prepared an Independent Valuation Report relating to the Company's Devil's Elbow uranium-gold-palladium project ("Project", "Property" or "Mineral Asset") in the Arnhem Land region of Australia's Northern Territory. The report was prepared as a public document in the format of a Valuation Report in accordance with the 2015 Edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("VALMIN Code").

The principal objective of this Report was to (i) provide an overview of the Property, and (ii) recommend preferred values and value ranges for the Mineral Asset on the basis of its perceived potential.

The CGSG valuation was based on adopting the geoscience factor ("Kilburn") and multiples of exploration expenditure ("MEE") methods, both widely-accepted and utilised cost-based valuation methods, to arrive at the preferred value and value ranges reported below. In forming its opinion of the likely fair market value of the Mineral Asset, CGSG adopted a market factor used to derive a market value from the technical values derived from the Kilburn and MEE methods.

The broad range of values reflects the subjective nature of the valuation methodologies employed, in particular when applied to exploration properties where mineral resources have not been identified. The board decided the multiples of exploration expenditures ("MEE") method would be more appropriate for the Devil's Elbow (ELA 27584).

Corporate Geoscience Group ("CGSG") Independent Valuation Report conducted in accordance with multiples of exploration expenditures ("MEE") method, reported a market value of the Company's Devil's Elbow Mineral Asset with a preferred value of $3.55 M for (EL 27584).

Competent Persons Statement

The information in this report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled by Mr. Petro Kastellorizos for Mr. Rodney Dale, both being Non-Executive Directors of Eclipse Metals Limited. Mr. Dale is a Fellow of the Australasian Institute of Mining and Metallurgy (the AusIMM) and Mr Kastellorizos is a Member of the AusIMM; both of whom have 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 and Mr. Kastellorizos have verified the data disclosed in this release and consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

10. INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The following is current as at the date of the report:

Mr Carl Popal	Executive Chairman – Re-appointed 16 March 2020
Qualifications	Bachelor of Business
Experience	Mr Popal has managed several entities conducting international trading. He has 25 years' experience in business and property development and has managed various commercial dealings within a network of companies in various countries around the world including India, China and Malaysia.
Interest in shares and options in the Company	Ghan Resources Pty Ltd, a company which Mr Popal was a director and is a shareholder, holds 45,529,696 fully paid ordinary shares. Popal Enterprises Pty Ltd, a company which Mr Popal is a director, holds 3,558,137 fully paid ordinary shares.
Directorships held in other listed entities	None
Mr Rodney Dale	Non-Executive Director
Qualifications	Fellowship Diploma in Geology Royal Melbourne Institute of Technology (FRMIT) Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM)
Experience	Mr Dale's experience over 60 years includes working in many parts of Australia, Indonesia and Africa on gold, base metal and industrial mineral exploration and mining. He has worked in and managed small gold mines in Western Australia. Since 1970, Mr Dale has been an independent geological consultant with two periods as a director of ASX listed companies. More recently, Mr Dale has been involved with assessment of iron ore projects in Australia, South America, India, China and Africa.
Interest in shares and options in the Company	Mr Dale holds 8,000,000 fully paid ordinary shares in the Company.
Directorships held in other listed entities	None

Directors’ Report (cont’d)

Mr Ibrar Idrees	Non-Executive Director
Qualifications	Bachelor of Commerce (major in Accounting & Finance).
Experience	Mr Idrees in a practising accountant with over 10 years’ professional and corporate experience gained in a diverse range of industries in Australia and South Asia. Mr Idrees has worked in a variety of business development and financial positions in small and large companies in various industry types.
Interest in shares and options in the Company	Mr Idrees does not hold shares and options in the Company.
Directorships held in other listed entities	None.
Mr Pedro Kastellorizos	Non-Executive Director – Appointed on the 1st July 2020
Qualifications	Bachelor of Science with Honours in Geology, a member of AusIMM, AIG and Geology Society of Australia.
Experience	Mr Kastellorizos has nearly 22 years of experience working as a geologist with mutli-commodity exploration, underground mining, geological interpretation, corporate management and tenement trading. He is an experienced non-executive director having served on the Boards of numerous ASX and UK Listed entities.
Interest in shares and options in the Company	Mr Kastellorizos does not hold shares and options in the Company.
Directorships held in other listed entities	None.
Ms Eryn Kestel	Company Secretary
Qualifications	Bachelor of Business, Certified Practising Accountant (CPA).
Experience	Ms Kestel has an established career in accounting and business over the last 21 years and holds the position of company secretary for several ASX listed entities. Ms Kestel’s areas of expertise are company secretary matters and company administration.

11. REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each key management person of Eclipse Metals Limited.

The information provided in this report has been audited as required by Section 308(3c) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

A Remuneration Policy
B Details of remuneration
C Equity-based compensation
D Employment contracts of directors
E Key management personnel shareholdings

A Remuneration Policy

The remuneration policy of Eclipse Metals Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Eclipse Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy, setting the terms and conditions for key management personnel, was developed and approved by the Board.
- All key management personnel are remunerated (based on factors such as length of service and experience).
- Key management personnel can be employed by the Group on a consultancy basis, upon Board approval, with remuneration and terms stipulated in individual consultancy agreements.
- The Board reviews key management personnel packages annually based on market practices, duties and accountability. Currently there is no link between remuneration and shareholder wealth or Group performance. The Board may, however, approve at its discretion, incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for their performance that results in long-term growth in shareholder wealth.

Key management personnel are also entitled to participate in employee share and option arrangements.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by key management personnel. Unlisted options are valued using the Black-Scholes methodology.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

The Board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by directors or other key management personnel during the financial year.

Remuneration Committee

During the year ended 30 June 2020, the Group did not have a separately established nomination or remuneration committee. Considering the size of the Group, the number of directors and the Group's stages of development, the Board are of the view that these functions could be efficiently performed with full Board participation.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate and distinct.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management for the Group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, and particular experience of the individual concerned. The contracts for service between the Group and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.

11. REMUNERATION REPORT (Audited) (cont'd)

Executive Director Remuneration

Objective
The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Reward executives for individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those shareholders; and
- Ensure total remuneration is competitive by market standards

Currently there is no link between remuneration and shareholder wealth or Group performance.

Structure
Executive directors are provided to the Group on a consultancy basis with remuneration and terms stipulated in individual consultancy agreements.

Non-Executive Director Remuneration

Objective
The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration of non-executive directors is reviewed annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. However, to align director's interests with shareholders' interests, the directors are encouraged to hold shares in the Company. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Non-executive directors may also be remunerated for additional specialised services performed at the request of the Board and reimbursed for reasonable expenses incurred by directors on company business.

B Details of Remuneration

Key Management Personnel Remuneration

The key management personnel of the Group are the directors and executives of Eclipse Metals Limited being:

Carl Popal	Executive Chairman	Re-Appointed as executive chairman 16 March 2020
Rodney Dale	Non-Executive Director	Appointed as non-executive director 16 March 2020
Ibrar Idrees	Non-Executive Director	
Pedro Kastellorizos	Non-Executive Director	Appointed on 1 July 2020

11. REMUNERATION REPORT (Audited) (cont'd)

Details of the nature and amount of emoluments of the key management personnel during the 2020 and 2019 financial year are:

		Short-term Benefits Salary & Fees			Equity Settled Share Based Payments		Total	% of Remuneration Received in Equity
		Paid	Unpaid salary & Fees	Other	Options	Shares		
Directors		**$**	**$**	**$**	**$**	**$**	**$**	
Carl Popal(i)	**2020**	**18,861**	**26,276**	**20,870**	**-**	**-**	**66,007**	**-**
	2019	25,000	5,000	-	-	-	30,000	-
Rodney Dale(ii)	**2020**	**38,831**	**-**	**2,400**	**-**	**-**	**41,231**	**-**
	2019	41,893	-	-	-	-	41,893	-
Ibrar Idrees(iii)	**2020**	**12,000**	**-**	**-**	**-**	**-**	**12,000**	**-**
	2019	12,000	-	-	-	-	12,000	-
Craig Hall(iv)	**2020**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019	22,100	3,000	-	-	-	25,100	-
Total	**2020**	**69,692**	**26,276**	**23,270**	**-**	**-**	**119,238**	**-**
	2019	100,993	8,000	-	-	-	108,993	-

(i) During the year ended 30 June 2020, an amount of $21,250 representing non-executive director fees (2019:30,000) was payable to Mr Popal and after his appointment as executive chairman, an amount of $23,887 was payable to him. $20,870 was also paid as consulting fees to Mr Carl Popal.
(ii) During the year ended 30 June 2020, an amount of $38,831 director fees (2019: $40,000) and $2,400 geologist fees (2019: $1,893) were paid or payable to Aurum Holdings Pty Ltd, a company of which Mr Dale is a director.
(iii) During the year ended 30 June 2020, an amount of $12,000 representing director fees (2019:12,000) was paid to Mr Idrees as a non-executive director of the Company.
(iv) Mr Hall resigned on 6 August 2018. His prior fees comprised of $2,500 director fees and $22,600 geologist fees.

C Equity-based compensation

Shares Granted as Part of Remuneration for Year Ended 30 June 2020

No shares or options were issued during the financial year ended 30 June 2020 (2019: Nil) to settle director fees.

D Employment Contracts of Directors

Remuneration and other terms of employment for executive directors are formalised in executive service agreements and non-executive directors are formalised in consultancy agreements with the Company.

Major provisions of directors' agreements relating to remuneration are set out below:

Mr Carl Popal (Executive Chairman)

The key terms and conditions of the agreement are as follows:
- Effective 1 June 2018, a fee of $30,000 per annum (no GST applicable).
- Effective 15 March 2020, a fee of $81,900 per annum (no GST applicable).
- This agreement may be terminated if Mr Popal gives notice of resignation, becomes disqualified, is prohibited by law from being or acting as director or is not re-elected to office by shareholders.
- The agreement replaces any previous executive services agreement with Popal Enterprises Pty Ltd with effect from 15 March 2020.

Mr Rodney Dale (Non-Executive Director)
The key terms and conditions of the agreement are as follows:
- Effective 1 July 2018, a fee of $40,000 per annum (no GST applicable).
- Effective 15 March 2020, a fee of $36,000 per annum (no GST applicable).
- The agreement may be terminated if Mr Dale gives notice of resignation, becomes disqualified, is prohibited by law from being or acting as director or is not re-elected to office by shareholders.

Directors' Report (cont'd)

11. REMUNERATION REPORT (Audited) (cont'd)

Mr Ibrar Idrees (Non-Executive Director)
The key terms and conditions of the agreement are as follows:

- Remuneration of $100 per hour for a minimum commitment of ten (10) hours per month to a total fee of $12,000 (plus GST) per annum. Any additional work to the monthly ten hours is billed at month end at the rate of $100 per hour.
- Term of agreement – commenced on 29 May 2018.
- Payment of termination of Agreement without cause – the balance of any part of the term remaining, subject to the requirements of ASX Listing Rule 10.19.

Non-executive director - Mr Pedro Kastellorizos (appointed 1 July 2020)
The key terms and conditions of the agreement are as follows:

- Term of Agreement – The agreement commenced on 1 July 2020.
- Remuneration of $83.3 per hour for a minimum commitment of twenty (20) hours per month to a total fee of $20,000 (plus GST) per annum. Any additional work to the monthly 20 hours is billed at month end at the rate of $70 per hour
- Payment of termination of Agreement without cause – the balance of any part of the term remaining, subject to the requirements of ASX Listing rule 10.19.

Non-executive director - Mr Craig Hall (Resigned 6 August 2018)
The key terms and conditions of the agreement are as follows:

- Term of Agreement – The agreement commenced on 9 October 2015
- Remuneration of $100 per hour for a minimum commitment of ten (10) hours per month to a total fee of $12,000 plus GST per annum. Any additional work to the monthly ten (10) hours, an invoice is to be raised by Mr Hall and remitted to the Company at a fixed hourly rate of $100.00 per hour
- Payment of termination of Agreement without cause – the balance of any part of the term remaining, subject to the requirements of ASX Listing rule 10.19.
- Craig Hall resigned on the 06th August 2018.

Trading in the Group's securities by directors, officers and employees

The Board has adopted a policy in relation to dealings in the securities of the Group which applies to all directors and employees. Under the policy, the directors, officers and employees are prohibited from dealing in the Group's securities whilst in possession of price sensitive information and also prohibited from short term or "active" trading in the company's securities. The directors, officers and employees should also prevent dealing in the Group's securities during specific blackout periods. The company secretary or a director must be notified upon a trade occurring.

The policy is provided to all directors and employees. Compliance with it is reviewed on an ongoing basis in accordance with the Group's risk management systems.

E Key management personnel shareholdings

The number of ordinary shares in Eclipse Metals Limited held by each KMP of the Group during the financial year is as follows.

	Balance at Beginning of Year	Shares issued for director services in lieu of cash	Other changes during the year	Balance at End of Year or at the date of resignation
Mr Rodney Dale	11,000,000	-	-	11,000,000
Mr Carl Popal	49,087,833	-	-	49,087,833
Mr Ibrar Idrees	-	-	-	-
Mr Pedro Kastellorizos	-	-	-	-
	60,087,833	**-**	**-**	**60,087,833**

There are no options held by key management personnel of the Group during the financial year (2019: nil).

This is the end of the audited Remuneration Report.

12. OPTIONS

During the financial year, no ordinary shares have been issued as a result of the exercise of options. At the date of this report, there are no options to be exercised.

Directors' Report (cont'd)

13. MEETINGS OF DIRECTORS

The number of directors' meetings held during the financial year and the numbers of meetings attended by each director were:

	Directors' Meetings	
Director	Number eligible to attend	Number attended
Rodney Dale	4	4
Carl Popal	4	4
Ibrar Idrees	4	4

14. INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company took out a policy insuring the Directors and officers of the Company and its Controlled Entities against any liability in the course of their duties to the extent permitted by the Corporations Act 2001.

15. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Auditor Independence

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 44.

Non-Audit Services

During the year ended 30 June 2020 there were no fees paid or payable for non-audit services provided by the entity's auditors, Stantons International.

16. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a part for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the directors:

Mr Carl Popal
Non-Executive Chairman
Perth, 29 September 2020

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $
Continuing operations			
Revenue and other income	4	67,604	59,693
Directors' fees	5	(95,968)	(84,496)
Consultancy expenses	5	(60,390)	(31,124)
Legal, management and tenement services	5	(82,824)	(72,250)
Listing expenses		(17,942)	(22,378)
Travel expenses		(2,582)	(1,754)
Exploration Expenses		(35,077)	(53,305)
Other Administration expenses		(91,482)	(91,579)
Finance expenses		(471)	(404)
Impairment of Exploration Expenditure	5/11	-	(18,659)
Loss before income tax		**(319,132)**	**(316,256)**
Income tax	7	-	-
Loss after tax from continuing operations		**(319,132)**	**(316,256)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		**(319,132)**	**(316,256)**
Loss for the year attributable to:			
Owners of Eclipse Metals Limited		(319,096)	(316,220)
Non-controlling interests		(36)	(36)
		(319,132)	(316,256)
Total comprehensive loss for the year attributable to:			
Owners of Eclipse Metals Limited		(319,096)	(316,220)
Non-controlling interests		(36)	(36)
		(319,132)	(316,256)
Loss per share (cents per share)			
Basic and diluted loss for the year	15	(0.03)	(0.03)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of financial position
As at 30 June 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $
ASSETS			
Current assets			
Cash and cash equivalents	8	961,860	358,469
Trade and other receivables	9	27,401	14,205
Prepayments		2,508	3,248
Total current assets		**991,769**	**375,922**
Non-current assets			
Exploration and evaluation expenditure	10	2,464,830	2,418,542
Total non-current assets		2,464,830	2,418,542
Total assets		**3,456,599**	**2,794,464**
LIABILITIES			
Current liabilities			
Trade and other payables	12	479,102	486,971
Total current liabilities		479,102	486,971
Total liabilities		479,102	486,971
Net assets		**2,977,497**	**2,307,493**
EQUITY			
Issued capital	13	26,459,147	25,470,011
Reserves	14	38,950	38,950
Accumulated losses		(23,495,955)	(23,176,859)
Owners of Eclipse Metals Limited		3,002,142	2,332,102
Non-controlling interests		(24,645)	(24,609)
Total equity		**2,977,497**	**2,307,493**

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 30 June 2020

	Issued capital $	Reserves $	Accumulated losses $	Sub-total $	Non-controlling interests $	Total equity $
Balance at 1 July 2018	25,470,011	38,950	(22,860,639)	2,648,322	(24,573)	2,623,749
Loss for the year	-	-	(316,220)	(316,220)	(36)	(316,256)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(316,220)**	**(316,220)**	**(36)**	**(316,256)**
Transactions with owners in their capacity as owners:						
Shares issued during the year	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2019	**25,470,011**	**38,950**	**(23,176,859)**	**2,332,102**	**(24,609)**	**2,307,493**

	Issued capital $	Reserves $	Accumulated losses $	Sub-total $	Non-controlling interests $	Total equity $
Balance at 1 July 2019	25,470,011	38,950	(23,176,859)	2,332,102	(24,609)	2,307,493
Loss for the year	-	-	(319,096)	(319,096)	(36)	(319,132)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(319,096)**	**(319,096)**	**(36)**	**(319,132)**
Transactions with owners in their capacity as owners:						
Shares issued during the year	1,039,038	-	-	1,039,038	-	1,039,038
Share issue costs	(49,902)	-	-	(49,902)	-	(49,902)
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2020	**26,459,147**	**38,950**	**(23,495,955)**	**3,002,142**	**(24,645)**	**2,977,497**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of cash flows
For the year ended 30 June 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Interest received		1,136	2,035
Payments to suppliers and employees		(387,261)	(358,913)
R & D Grants Received		64,033	57,658
Refund of tenement deposit		2,435	-
Net cash used in operating activities	17	(319,657)	(299,220)
Cash flows from investing activities			
Payments for exploration and evaluation		(46,288)	(30,205)
Net cash used in investing activities		(46,288)	(30,205)
Cash flows from financing activities			
Proceeds from issue of shares		1,005,618	-
Payment for share issue costs		(36,282)	-
Net cash generated by financing activities		969,336	-
Net Increase / (decrease) in cash and cash equivalents		603,391	(329,425)
Cash and cash equivalents at beginning of year		358,469	687,894
Cash and cash equivalents at end of year	8	**961,860**	**358,469**

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

Notes to the consolidated financial statements
For the year ended 30 June 2020

1. CORPORATE INFORMATION

These consolidated financial statements and notes represent those of Eclipse Metals Limited ("Eclipse" or "the Company") and its controlled entities (the "Group").

The financial statements for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 29th September 2020.

Eclipse Metals Limited is a public company incorporated in Western Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the directors' report.

2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law. The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Except for cash flow information, the consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies set out below have been applied consistently to all periods presented in the financial report except where stated.

b) Going concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

In the past twelve (12) months the Group has continued its exploration programs. For the financial year ended 30 June 2020, the Group recorded a net loss of $319,132 (2019: $316,256), a net operating cash outflow of $319,657 (2019: $299,220) and a net working capital of $512,667 (2019: deficit $111,049).

This financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of Eclipse Metals Limited assets and the discharge of its liabilities in the normal course of business.

The Board considers that the Group is a going concern and anticipate in order to meet and progress its planned exploration expenditure further funding will be required within the next twelve (12) months and having prepared a cash flow budget of the Group's working capital requirements have already commenced planning to access additional funding.

The Directors regularly monitor the Group's cash position and on an on-going basis consider a number of strategic and operational plans to ensure that adequate funding continues to be available for the Group to meet its business objectives.

The following actions either singularly or in combination have been considered by the Board as a way to derive further funding for the Group:

- Alliance with multinational and reputable global companies together with institutional brokers for raising additional capital on market to fund the Group's ongoing exploration and development program whilst also providing working capital requirements;
- Consideration of Joint Venture and Farm-in offers as a sustainable approach in developing the company's projects while minimising shareholder dilution at low market price raising large sums of cash capital in the interim; and/or
- The successful commercial exploitation of the Group's mineral interests.

The Group has received confirmation that our related party who is owed an amount of $265,000 as at 30 June 2020 (2019: $315,000) has no intention on pressing for the outstanding amount within 12 months from the date of this report. The latter is keen to stay as a major shareholder to act in the best interest of Eclipse Metals Limited to develop the Company's projects and increase shareholders value.

Notes to the consolidated financial statements
For the year ended 30 June 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Going concern (cont'd)

The Company has the ability to raise funds under the combined 10% placement facilities. At the date of preparing this Report the number of Shares to be issued and the price are still to be determined and will depend on such things as the status of the projects.

The Board regularly review new potential acquisitions in other mineral resources as a stand-alone to the current projects or as an addition.

Should the Group be unable to raise sufficient funds, it would consider selectively reducing administrative and exploration costs further.

In the event that the Group is unable to secure sources of funding, the Group may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in this report.

c) Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency. The functional currency of all the subsidiaries is the Australian Dollar.

d) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

<u>Share-based payment transactions</u>

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

<u>Mineral exploration and evaluation</u>

The Group did not impair any exploration expenditure during the financial year 30 June 2020 (2019: $18,659). Exploration expenditure are impaired in respect of tenements the Group relinquishes during the year and tenements on which the Group has no further exploration work planned or budgeted.

At 30 June 2020, the Group has capitalised exploration expenditure of $2,464,830 (2019: $2,418,542) on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

<u>Deferred taxation</u>

Potential future income tax benefits have not been brought to account at 30 June 2020 because the directors do not believe that it is appropriate to regard realisations of future income tax benefits.

e) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Eclipse Metals Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided at Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation.

Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

g) Trade and other receivables

Trade receivables, which generally have 30 to 90-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except for those carried 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss. Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Classification and subsequent measurement

All financial assets are initially measured at fair value adjusted for transaction costs.

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (cont'd)

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

From 1 July 2019, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

i) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) Income tax

The income tax expense/ (income) for the year comprises current income tax expense/ (income) and deferred tax expense/ (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/ (assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of sell-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when they relate to the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

l) Provisions and employee leave benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying value is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, for example under an insurance contract, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

l) Provisions and employee leave benefits(cont'd)

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

During the year ended 30 June 2020, the Company had no employees.

m) Revenue and other income

Revenue is recognised when or as performance obligation in the contract with the customer has been satisfied, i.e., when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

n) Trade and other payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

o) Exploration and evaluation expenditure

Exploration and evaluation expenditure on areas of interest are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area of where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

p) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Group reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from the equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributed incremental costs (net of income taxes) is recognised directly in equity.

q) Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no considerations in relation to dilutive potential ordinary shares.

Notes to the consolidated financial statements
For the year ended 30 June 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

r) Equity-settled compensation

Share-based payments to directors are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

s) Parent entity financial information

The financial information for the parent entity, Eclipse Metals Limited, disclosed in Note 22 has been prepared on the same basis as the financial statements for the Group, except as set out below.

<u>Investments in subsidiaries</u>

Investments in subsidiaries are accounted for at cost less impairment, if applicable, in the financial statements of the Company.

t) Adoption of new and revised accounting standards

***A*ASB 16 Leases**

The Group has considered the implications of new and amended Accounting Standards and has adopted the mandatory accounting standard AASB 16; Leases as of 1st July 2019.

Changes in Accounting Policies
Under AASB 16, any leases that the Group has need to be recognised in the balance sheet. Under this standard, an asset (right of use asset) and a lease liability are to be recognised. The only exemptions are short-term leases and low value leases.

Initial Application of AASB 16; Leases
The Group has assessed that there are no leases to be recognised in the balance sheet at the reporting date. The current lease of the Group is a short-term office lease. Renewal of this lease is dependent on business condition at the time of renewal. The Board has assessed that at this point, it is not certain that the lease will be renewed.

u) Accounting standards not yet effective

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. The Board expects no impact on the financial statements of the Group.

3. SEGMENT INFORMATION

The directors have considered the requirements of *AASB 8 Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following the adoption of AASB 8, the identification of the Group's reportable segments has not changed. During the year, the Group considers that it has only operated within one segment, being mineral exploration within Australia.

The Group is domiciled in Australia, with all assets and operations located in Australia.

	Consolidated 2020 $	Consolidated 2019 $
4. REVENUE AND OTHER INCOME		
Revenue	-	-
Other income		
Interest revenue	1,136	2,035
R&D Refund	64,033	57,658
Refund of tenement deposit	2,435	-
	67,604	59,693
Total revenue and other income	67,604	59,693

5. EXPENSES

	Consolidated 2020 $	Consolidated 2019 $
Directors' Fees		
Directors' fees	95,968	84,496
	95,968	**84,496**
Consultancy expenses		
Consulting fees	18,000	18,000
Geological services	42,390	13,124
	60,390	**31,124**
Legal management and tenement services		
Other services	12,000	41,000
Taxation and audit service	70,824	31,250
	82,824	**72,250**
Impairment		
Exploration expenditure	-	18,659
	-	**18,659**

6. AUDITORS' REMUNERATION

	Consolidated 2020 $	Consolidated 2019 $
Remuneration of the auditor for:		
Audit and review of financial statements	36,754	31,250
	36,754	**31,250**

	Consolidated 2020 $	Consolidated 2019 $
7. INCOME TAX		
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from ordinary activities before income tax expense	(319,132)	(316,256)
Prima facie tax benefit on loss from ordinary activities at 27.5% (2019: 27.5%)	(87,761)	(86,970)
Tax effect of:		
- Adjustment of prior years income tax	-	501,801
- Non-deductible expenses	(27,678)	27,938
- Non- assessable income	(17,424)	(15,637)
Movement in deferred tax not recognised	(132,863)	427,132
Unrecognised temporary differences		
Deferred tax assets at 27.5% (2019: 27.5%)		
Carry forward tax losses (operating)	2,475,292	2,342,429
Carry forward tax losses (capital)	-	-
Temporary differences	103,854	101,588
Total deferred tax assets	2,579,146	2,444,017
Deferred tax liabilities at 27.5% (2019: 27.5%)		
Temporary differences	334,543	322,018
Total deferred tax liabilities	334,543	322,018
Net deferred tax asset not brought to account	2,244,603	2,121,999

Potential future income tax benefits arising from tax losses have not been brought to account at 30 June 2020 because the directors do not believe it is appropriate to regard realisation of the future income tax benefits as possible. These benefits will only be obtained if:

- assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

8. CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	961,860	358,469
	961,860	358,469

Cash at bank earns interest at floating rates based on daily bank deposit rates.

9. TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Other receivables (i)	16,948	3,752
Office bond	4,000	4,000
Security deposit for tenements	6,453	6,453
	27,401	**14,205**

(i) Other receivables are non-interest bearing and expected to be received within 90 days.

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as trade and other receivables is considered to be the main source of the Group's exposure to credit risk.

Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction.

Notes to the consolidated financial statements
For the year ended 30 June 2020

9. TRADE AND OTHER RECEIVABLES (Cont'd)

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. As at 30 June 2020, there are no receivables that are past due but not impaired (2019: Nil).The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

10. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2020	**2019**
	$	**$**
Tenement acquisition at cost		
Balance at 1 July	2,418,542	2,406,996
Additions	46,288	30,205
Impairment	-	(18,659)
Balance at 30 June	**2,464,830**	**2,418,542**

There is uncertainty as to the recoverability of the deferred exploration and evaluation expenditure assets of Eclipse Metals Limited at their stated values. The recoverability of the deferred exploration and evaluation expenditure assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas.

11. CONTROLLED ENTITIES

Controlled entities consolidated

	Country of Incorporation	Percentage Owned (%)*	
		30 June 2020	**30 June 2019**
Subsidiaries of Eclipse Metals Ltd:			
North Minerals Pty Ltd	Australia	100.00	100.00
Central Energy Pty Ltd	Australia	100.00	100.00
Whitvista Pty Limited	Australia	100.00	100.00
U308 Agencies Australia Pty Ltd	Australia	100.00	100.00
Walla Mines Pty Ltd (i)	Australia	87.17	87.17
Contour Resources Pty Ltd	Australia	99.48	99.48

*Percentage of voting power is in proportion to ownership
(i) Direct and indirect percentage owned

	Consolidated	
	2020	**2019**
	$	**$**
12. TRADE AND OTHER PAYABLES		
Unsecured liabilities		
Trade payables	174,700	151,820
Accruals and other payables	304,402	335,151
	479,102	**486,971**

These amounts arise from the usual operating activities of the Group and are carried at amortised cost.

Trade payables are normally settled on 30 days terms. The amount of payables at balance date exceeding 90 days is $146,423 (2019: $147,530).

Amount in accruals include $265,000 (2019: $315,000) owed to a related party as at 30 June 2020 and the Group has received confirmation that the latter has no intention on pressing for the outstanding amount within 12 months from the date of this report.

Notes to the consolidated financial statements
For the year ended 30 June 2020

13. ISSUED CAPITAL

	Consolidated 2020 $	Consolidated 2019 $
Ordinary shares issued and fully paid	26,459,147	25,470,011

a) Fully paid ordinary shares

	Consolidated Number	Consolidated $
Balance at 1 July 2018	**1,148,674,090**	**25,470,011**
Shares issued during the year	-	-
Balance at 30 June 2019	**1,148,674,090**	**25,470,011**
Shares issued during the year		
Placement (@ $0.003) (i)	86,433,334	259,300
Placement (@ $0.003) (ii)	83,040,000	249,120
Placement (@$0.0055)	96,476,107	530,618
Share issue costs		(49,902)
Balance as at 30 June 2020	**1,414,623,531**	**26,459,147**

(i) 3,766,667 shares having a total value of $11,300 were issued in lieu of services
(ii) 7,373,333 shares having a total value of $22,120 were issued in lieu of services

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b) Options

At 30 June 2020, the unissued ordinary shares of Eclipse Metals Ltd under option were nil (2019: nil).

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Shares issued on exercise of options

There were no options exercised during the year ended 30 June 2020 (2019: Nil).

Since the end of the financial year, no ordinary shares have been issued as a result of the exercise of options.

c) Capital Management

Management control the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Notes to the consolidated financial statements
For the year ended 30 June 2020

14. RESERVES

Nature and purpose of reserves

Share-based payment reserve
The share-based payment reserve records items recognised as expenses on valuation of director share options.

Other reserve
The other reserve records the impact on equity attributable to the owners of Eclipse Metals Ltd of transactions with non-controlling interests of subsidiaries where there is no change in control.

	Consolidated	
	2020	**2019**
	$	**$**
Share based payment reserve	27,118	27,118
Other reserve	11,832	11,832
	38,950	**38,950**

15. LOSS PER SHARE

	Consolidated	
	2020	**2019**
	$	**$**
Loss used in the calculation of basic and dilutive loss per share		
Loss for the year	(319,132)	(316,256)
Less: Loss attributable to non-controlling equity interest	36	36
Loss used to calculate basic and dilutive loss per share	(319,096)	(316,220)
Loss per share		
Basic and diluted loss per share (cents per share)	(0.03)	(0.03)
Weighted average number of shares		
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive loss per share.	1,245,477, 766	1,148,674,090

16. COMMITMENTS AND CONTINGENCIES

a) Exploration commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay rentals and meet the minimum expenditure requirements. These obligations are not provided for in the financial statement and are payable:

	Consolidated	
	2020	**2019**
	$	**$**
- No later than 12 months	611,000	260,000
- Between 12 months and 5 years	-	288,000
- Greater than 5 years	-	-
	611,000	548,000

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require a review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

b) Contingencies

The Group has no contingent assets or liabilities at the reporting date.

17. CASH FLOW INFORMATION

	Consolidated 2020 $	Consolidated 2019 $
Reconciliation of net loss after tax to the net cash flows from operations		
Loss for the year	(319,132)	(316,256)
Adjustments for:		
Shares issued in lieu of services	19,800	-
Impairment of exploration expenditure	-	18,659
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	(13,196)	3,945
Decrease/(Increase)/ in prepayments	740	(384)
Decrease in trade and other payables	(7,869)	(5,184)
Net cash used in operating activities	(319,657)	(299,220)
Non-cash financing and investing activities		
Shares and Options issued		
Placement Fee, Administrative and consultancy services	33,420	-
	33,420	-

18. SHARE-BASED PAYMENTS

	Consolidated 2020 $	Consolidated 2019 $
The values of share-based payment transactions recognised during the year were as follows:		
Placement fee recognised as capital raising cost(i)	13,620	-
Placement Fee recognised as expense (i)	19,800	-
	33,420	-

(i) Refer to Note 13: Issued Share Capital.

19. FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans. The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk (consisting of interest rate risk and market price risk).

The Board of directors is responsible for the monitoring and management of the financial risk exposures of the Group.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies at Note 2 are as follows:

	Consolidated 2020 $	Consolidated 2019 $
Financial assets		
Cash and cash equivalents	961,860	358,469
Trade and other receivables	27,401	14,205
Total financial assets	**989,261**	**372,674**
Financial liabilities		
Trade and other payables	479,102	486,971
Total financial liabilities	**479,102**	**486,971**
Net financial assets/(liabilities)	**510,159**	**(114,297)**

19. FINANCIAL INSTRUMENTS (Continued)

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

b) Credit risk exposures

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables is provided at Note 9. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the Board. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

	Consolidated 2020 $	2019 $
Cash and cash equivalents		
AA- rated	961,860	358,469
	961,860	**358,469**

c) Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and cash equivalents. Since the Group does not have long-term debt obligations, the Group's exposure to this risk is minimal.

Market price risk

The Group has no financial instrument exposed to market price risk.

Foreign currency risk

The Group has no foreign currency or foreign operations and therefore has no exposure to foreign currency risk.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposure to changes in interest rates and equity prices.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Profit $	Equity $
Year ended 30 June 2020		
+/-1% (100 basis points) in interest rates	+/-16,948	+/-16,948
Year ended 30 June 2019		
+/-1% (100 basis points) in interest rates	+/-3,752	+/-3,752

d) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analyses in relation to its operational, investing, and financing activities;
- Obtaining funding from a variety of sources;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets; and
- Only investing surplus cash with major financial institutions.

Notes to the consolidated financial statements
For the year ended 30 June 2020

19. FINANCIAL INSTRUMENTS (Continued)

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability and financial asset maturity analysis

Consolidated

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment								
Trade and other payables	479,102	486,971	-	-	-	-	479,102	486,971
Total expected outflows	**479,102**	**486,971**	**-**	**-**	**-**	**-**	**479,102**	**486,971**
Financial assets – cash flows realisable								
Cash and cash equivalents	961,860	358,469	-	-	-	-	961,860	358,469
Trade and other receivables	27,401	14,205	-	-	-	-	27,401	14,205
Total anticipated inflows	**989,261**	**372,674**	**-**	**-**	**-**	**-**	**989,261**	**372,674**
Net inflow on financial instruments	510,159	(114,297)	-	-	-	-	510,159	(114,297)

e) Net fair value

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments recognised in the financial statements.

Consolidated

	Note	2020		2019	
		Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
		$	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	(i)	961,860	961,860	358,469	358,469
Trade and other receivables	(i)	27,401	27,401	14,205	14,205
Total financial assets		989,261	989,261	372,674	372,674
Financial liabilities					
Trade and other payables	(i)	479,102	479,102	486,971	486,971
Total financial liabilities		479,102	479,102	486,971	486,971

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.

Financial instruments measured at fair value

The financial instruments recognised at fair value in the consolidated statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs (Level 3).

At 30 June 2020, no financial assets or liabilities are carried at fair value.

Notes to the consolidated financial statements
For the year ended 30 June 2020

20. RELATED PARTY DISCLOSURE

a) The Group's main related parties are as follows:

Key management personnel

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 21.

Other related parties

Other related parties include entities over which key management personnel have joint control.

b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Expenses incurred – other related parties

			Consolidated	
			2020	**2019**
			$	**$**
Director	**Entity**	**Service**		
Carl Popal (Executive)	Popal Enterprises Pty Ltd	Director Fees	23,887	-
Carl Popal (Non-Executive)	Popal Enterprises Pty Ltd	Director Fees	21,250	30,000
Carl Popal	Popal Enterprises Pty Ltd	Consulting Fees	20,870	-
Rod Dale	Aurum Holdings Pty Ltd	Director Fees	38,831	40,000
Rod Dale	Aurum Holdings Pty Ltd	Geological services	2,400	1,893
Ibrar Idrees	Ibrar Idrees	Director Fees	12,000	12,000
Craig Hall	Craig Hall	Director Fees	-	2,500
Craig Hall	Craig Hall	Geological services	-	22,600

21. KEY MANAGEMENT PERSONNEL DISCLOSURE

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2020.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows;

	Consolidated	
	2020	**2019**
	$	**$**
Short-term employee benefits	119,238	108,993
	119,238	**108,993**

Short-term employee benefits
These amounts include fees and benefits paid to the non-executive Chairman and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Share-based payments
These amounts represent the expense related to the participation of KMP in equity settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

22. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the accounting policies listed in Note 2.

	Company	
	2020	**2019**
	$	**$**
Statement of financial position		
Assets		
Current assets	983,450	367,606
Non-current assets	827,600	808,504
Total assets	**1,811,050**	**1,176,110**
Liabilities		
Current liabilities	474,100	481,969
Total liabilities	**474,100**	**481,969**
Net assets	**1,336,950**	**694,141**
Equity		
Issued capital	26,459,147	25,470,011
Accumulated losses	(25,149,316)	(24,802,989)
Reserves	27,119	27,119
Total equity	**1,336,950**	**694,141**
Statement of profit or loss and other comprehensive income		
Total loss for the year	(346,327)	(320,138)
Other comprehensive income	-	-
Total comprehensive loss	**(346,327)**	**(320,138)**

Guarantees
Eclipse Metals Ltd has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities
There are no contingent liabilities of the parent entity at the reporting date.

Contractual commitments
All contractual commitments of the parent entity are included within Note 16.

23. SUBSEQUENT EVENTS

Mr Pedro Kastelrizo was appointed as a non-executive director on the 1st July 2020. On the 30th July 2020, the company announced that it had secured the consent of Traditional Land Owners to negotiate with the Northern Land Council for the purpose of uranium-gold exploration and mining within ELA 31065 and ELA 31770.

Other than as disclosed, there has not been any matter or circumstance that has arisen since the end of the reporting date and to the date of this report which significantly affect the result of the operations of the Group.

Directors' Declaration
For the year ended 30 June 2020

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
(b) in the directors' opinion, the consolidated financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the consolidated financial statements;
(c) in the directors' opinion, the consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group for the year ended 30 June 2020; and
(d) the directors have been given the declarations required by s.295A of *the Corporations Act 2001.*

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of *the Corporations Act 2001*.

On behalf of the directors

____
Carl Popal
Executive Chairman
Perth, 29 September 2020.

Stantons International Audit and Consulting Pty Ltd
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ECLIPSE METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eclipse Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to Note 2(b) to the consolidated financial statements, which describes the consolidated financial statements being prepared on a going concern basis. For the financial year ended 30 June 2020, the Group incurred loss after income tax of $319,132 and in net cash outflows from operating activities of $319,657. At 30 June 2020, the Group had cash and cash equivalents of $961,860.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further capital or successful exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Our opinion is not modified in respect of this matter.

Emphasis of Matter – Carrying Value of Exploration and Evaluation Expenditure Asset

We draw attention in Note 10 to the consolidated financial statements which describes the carrying value of exploration and evaluation expenditure asset. The Group had exploration and evaluation expenditure assets which amounted to $2,464,830 as at 30 June 2020. The recoverability of the Group's carrying value of exploration and evaluation expenditure assets is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate sufficient funds to recoup at least the carried values.

In the event that the Group is not successful in commercial exploitation and/or sale of the assets, the realisable value of the Group's exploration and evaluation expenditure assets may be significantly less than their current carrying values.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined no key audit matter to be communicated in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 20 of the directors’ report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Eclipse Metals Limited for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

Stantons International Audit and Consulting Pty Ltd
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29 September 2020

Board of Directors
Eclipse Metals Limited
Level 3,
1060 Hay Street
WEST PERTH WA 6005

Dear Directors

RE: ECLIPSE METALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Eclipse Metals Limited.

As Audit Director for the audit of the financial statements of Eclipse Metals Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Martin Michalik

Martin Michalik
Director

Additional securities exchange information

Additional information required by the Australian Securities Exchange Ltd, and not shown elsewhere in this report is as follows. The information is current as at 22 September 2020

(a) Distribution of equity securities

(i) Ordinary share capital

- 1,409,623,532 fully paid shares held by 1,209 shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

Analysis of numbers of equity security holders by size of holding are:

	Number of Holders	Fully Paid Ordinary Shares
1 – 1,000	59	8,135
1,001 – 5,000	6	18,680
5,001 – 10,000	95	929,932
10,001 – 100,000	325	20,907,571
100,001 and over	724	1,387,759,214
	1,209	**1,409,623,532**

304 Shareholders are holding less than a marketable parcel

(b) Twenty largest holders of quoted equity securities (fully paid ordinary shares)

	Number held	Percentage %
Uranium Resources Pty Ltd	204,800,000	14.53
Argala Nominees Pty Ltd <Argala Superfund A/c>	64,476,191	4.57
Mr Yong Onn Chu	60,000,000	4.26
S & CJ Pty Ltd <Flacon Gold Super Fund A/c>	55,700,000	3.95
Ghan Resources Pty Ltd	45,529,696	3.23
Mr Damon Marco	44,909,694	3.19
Western Eagles Investment Pty Ltd	35,543,875	2.52
Mr Peter James Davidson	30,335,931	2.15
Mr Virginio Vigolo & Mrs Susan Michelle Vigolo <VSV Family A/c>	30,000,000	2.13
Mr Rabie Johannes & Mrs Mara Vandermerwe <Rabi & Mara Superfund A/c>	20,000,000	1.42
Ms Rochelle Binaifer Wykes & Mrs Vera Wykes <R Wykes Superfund A/c>	18,500,000	1.31
Mr Adrian Mathew Lippi <Double Impact Fishing A/c>	17,000,000	1.21
Mr Michael John Matthisessen	15,005,205	1.06
Peter Eugene Marszal & Mrs Debbie Rae Marzal <Marszal Retirement Fund>	14,200,000	1.01
Mr Mervyn John Ashman	14,000,000	0.99
HSBC Custody Nominees (Australia) Limited	10,981,753	0.78
Mr Habibullah Sabah Totakhil	10,500,000	0.74
M & K Korkidas Pty Ltd <M&K Korkidas Superfund>	10,091,359	0.72
Woebegone Pty Ltd	10,000,000	0.71
Mr Leno Ross Vigolo	9,785,222	0.69
	721,358,926	**51.17**

(c) Substantial holders

The substantial holder in the Company is set out below:

	Number held	Percentage %
Ordinary shares		
Uranium Resources Pty Ltd	204,800,000	14.53

(d) Voting rights

All ordinary shares carry one vote per share without restriction.

(e) Business Objective

The Company has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.

ECLIPSE METALS LTD TENEMENT INTERESTS - JUNE 2020

Granted Tenements

Tenement	Project Name	Commodity	Status	State	Holder	Graticular Blocks
EL 24808	Bigrlyi	Uranium	Granted	NT	Eclipse Metals Ltd	27
EPM 17672	Mary Valley	Manganese	Granted	QLD	Walla Mines Pty Ltd[1]	15
EPM 17938	Amamoor	Manganese	Granted	QLD	Walla Mines Pty Ltd[1]	4
EL27584	Devil's Elbow	Uranium, Gold, Palladium	Granted	NT	North Minerals Pty Ltd[2]	30
EL32080	Ngalia North	Uranium, Vanadium	Granted	NT	Eclipse Metals Ltd	63

Tenement Applications

Tenement	Project Name	Status	State	Current Legal Holder
EL 24623	Eclipse	Application	NT	Cauldron Energy Limited
EL 24861	Lake Mackay	Application	NT	Cauldron Energy Limited
EL 26487	Yuendi	Application	NT	Whitvista Pty Ltd
EL 31065	Liverpool 1	Application	NT	Eclipse Metals Ltd
EL31499	Ngalia SE	Application	NT	Eclipse Metals Ltd
EL 31500	Ngalia Central	Application	NT	Eclipse Metals Ltd
EL31501	Ngalia SE	Application	NT	Eclipse Metals Ltd
EL 31502	Ngalia SE	Application	NT	Eclipse Metals Ltd
ELA 31770	Liverpool 2	Application	NT	Eclipse Metals Ltd
ELA 31771	Liverpool 3	Application	NT	Eclipse Metals Ltd
EL 31772	Liverpool 4	Application	NT	Eclipse Metals Ltd
EL 32077	Ngalia Central	Application	NT	Eclipse Metals Ltd
EL 32078	Ngalia Central	Application	NT	Eclipse Metals Ltd
EL 32079	Ngalia East	Application	NT	Eclipse Metals Ltd

[1] Walla Mines Pty Ltd is a wholly owned subsidiary of Eclipse Metals Ltd
[2] North Minerals Pty Ltd is a wholly owned subsidiary of Eclipse Metals Ltd