



Eclipse Metals Limited
ABN 85 142 366 541
and its controlled entities

Report for the half-year ended
31 December 2020

Corporate directory

Board of Directors

Mr Carl Popal	Executive Chairman
Mr Rodney Dale	Non-Executive Director
Mr Ibrar Idrees	Non-Executive Director
Mr Pedro Kastellorizos	Non-Executive Director

Company Secretary

Ms Eryn Kestel

Registered Office and Principal Place of Business

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West Perth, Western Australia 6872

Website

Website: www.eclipsemetals.com.au

Auditors

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

Share Registry

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

Securities Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth, Western Australia 6000

ASX Codes

Shares: EPM

Half year report for the half-year ended 31 December 2020

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Directors' report

The directors of Eclipse Metals Limited ("the Company") submit herewith the operations and financial report of Eclipse Metals Limited and its controlled entities ("the Group") for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

Mr Carl Popal
Mr Rodney Dale
Mr Ibrar Idrees
Mr Pedro Kastellorizos

Operating Results

The loss before income tax for the Group for the half-year ended 31 December 2020 amounted to \$154,714 compared to a loss before income tax of \$1,202,728 for the half-year ended 31 December 2019.

REVIEW OF OPERATIONS

Eclipse Metals Ltd is an Australian-based mineral resource company with an impressive portfolio of 20 tenements, both granted and in application, with an area of approximately 9,000sqkm in southwestern Greenland, the Northern Territory and Queensland. The recently added Ivittuut Project (sometimes called Ivigtut) is known as the world's largest and only commercial cryolite mine from which cryolite was historically produced for use in aluminium extraction from bauxite (alumina) ore.

The Group's mineral tenement assets are prospective for uranium, palladium, cryolite, fluorite, siderite, quartz, rare earth elements, gold, platinum group metals, manganese and vanadium.

NORTHERN TERRITORY – DEVILS ELBOW (LIVERPOOL PROJECTS)

An Aboriginal Land Right Agreement (ALRA) was finalised after extensive negotiation with the Northern Land Council (NLC) resulting in the grant of EL27584 at the end of last financial year. This exploration licence covering the Devil's Elbow uranium, gold, palladium prospect in the Northern Territory, was granted on 29 May 2020 by the Department of Primary Industry and Resources to North Minerals Pty Ltd (a wholly owned subsidiary of Eclipse).

On 21st July 2020, the Company met with the Traditional Landowners through their legal representatives, the NLC, at Oenpelli in the Northern Territory for discussions on a reconnaissance work-program and to expand exploration and potential mining within EL27584. Uranium, palladium and gold mineralisation in this project area was discovered and first explored by Uranerz Australia. Subsequently the Devil's Elbow was further explored, mainly to the north of Ranger Fault, by Cameco Australia between 2002 and 2008.

A meeting was also arranged in July 2020 with the NLC and Traditional Owners to negotiate conditions for granting of adjoining exploration licences applications ELA31065 and ELA31770 (see Figure 1), which will add considerable prospective ground along this part of the Ranger Fault which covers radiometric anomalies to the east and south-east from Devil's Elbow.

The Traditional Owners gave their consent for the NLC to enter into negotiations with Eclipse Metals Ltd. The consent to negotiate will facilitate an exploration agreement to be drafted to allow Eclipse Metals Ltd to commence exploration over the Devil's Elbow Prospect and the surrounding areas. Once final exploration agreement is reached between both parties, the NLC will present all terms and conditions of the agreement to the Traditional Owners for a decision in a final on-country meeting. On completion of negotiations and granting of tenements, Eclipse will hold approximately 460 sqkm of uranium prospective ground within Arnhem Land.

With increasing interest and value in precious and platinum group metals, plus positive moves in the price and demand for U₃O₈, the Company's ability to explore the Devil's Elbow tenement is timely.

The Eclipse exploration program will focus on the area around the Devil's Elbow, Terrace and Ferricrete uranium prospects, concentrating on high priority areas defined by historical geochemical and radiometric anomalies centrally within EL27584 and relatively unexplored ground south of the Ranger Fault.

Filtering of all available geophysical data over the tenement and surrounds is progressing in an effort to better understand the geophysical, structural and geological context of high-grade U, Au and Pd assays. Results to date are a substantial leap forward for the Devil's Elbow prospects and have enabled Eclipse to define and rank 17 drill target zones based on the integration of all geophysical products generated.

The Devil's Elbow prospects have strong similarities with the Jabiluka uranium and gold mine 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 mineralisation occur in an altered member of the Cahill Formation, proximal to reverse faulting structures with similarities to the Devil's Elbow prospect.

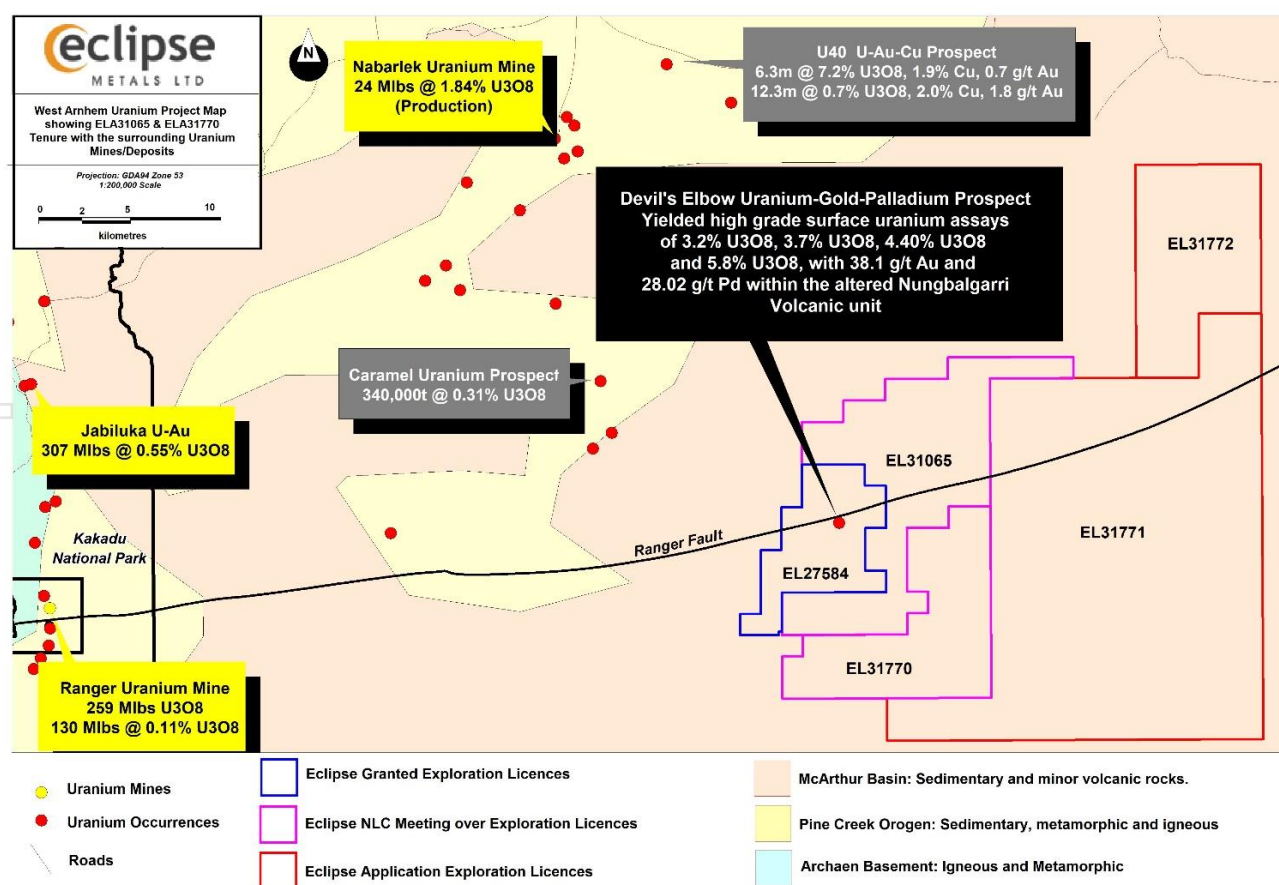


Figure 1: West Arnhem Land Uranium Project Map showing Devil's Elbow EL27584 and ELA's 31065 and 31770

Also, during July 2020, a brief reconnaissance visit was conducted to the central/northern part of the Devil's Elbow prospect site, which confirmed the general geological setting and the highly radioactive nature of the Devil's Elbow Prospect. The main prospect area and areas of broad radiometric anomalies to the southwest were examined for logistic assessment.

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 Nungalgarri Volcanic unit. Minor hematite and chlorite alteration was observed within the areas of higher radioactive response. The highest count measured was 2,200 CPS with other high values ranging from 400 to 950 CPS within the Devil's Elbow Prospect area (see Figure 2).

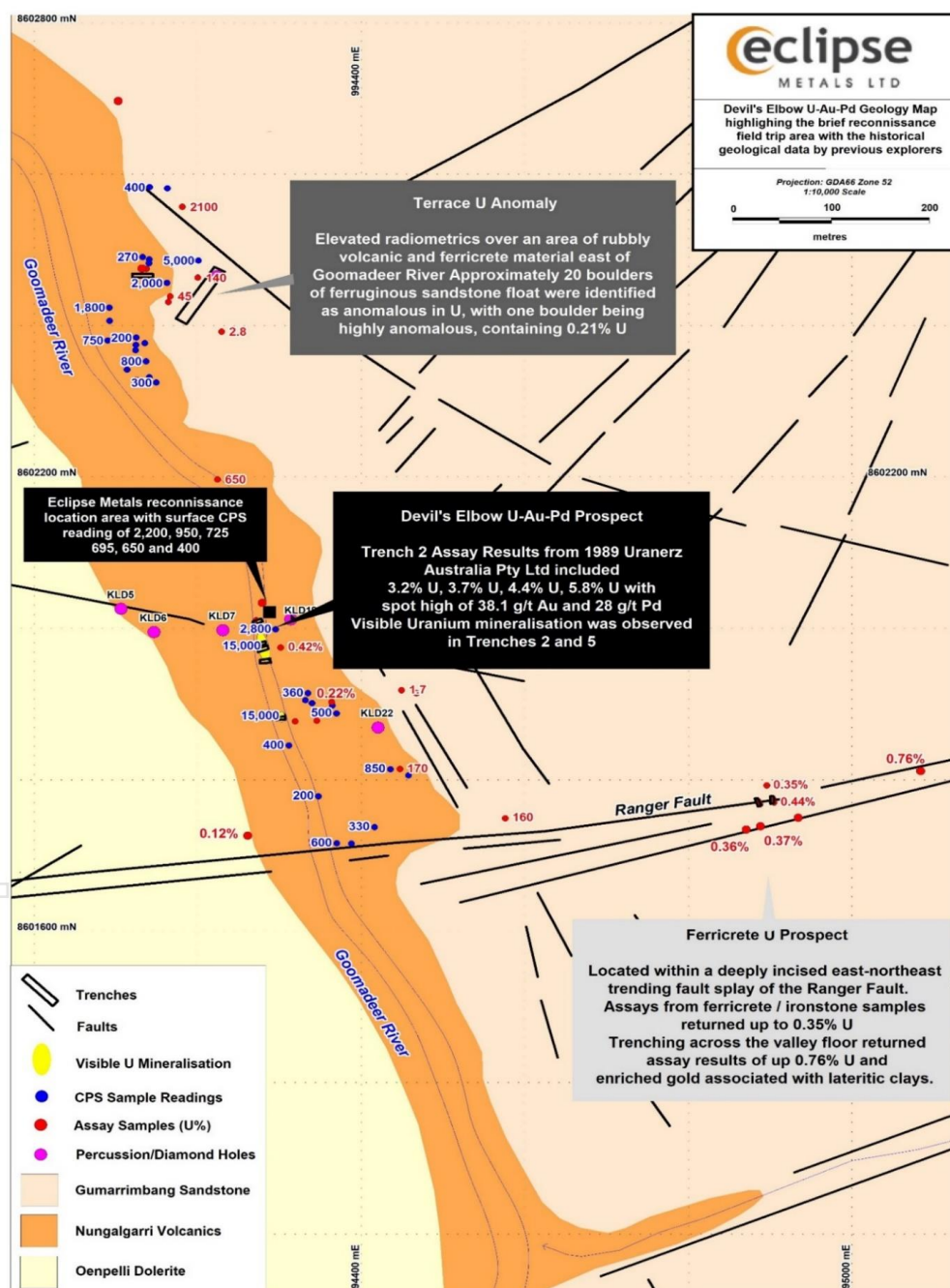


Figure 2: Devil's Elbow Local Geological Map showing area of reconnaissance visit and Mary Valley Manganese Project

In September and October 2020, Eclipse undertook a second phase of diamond drilling testing for extensions of previously drilled high-grade manganese mineralisation along 160 metres of strike and down dip to 20 metres. Six diamond drill cored holes were completed for a total of 97.6 metres in the South/Central, Central and Northern areas of old workings. Assaying of split core samples was completed during the early part of the December quarter.

Table 1: Collar Table of 2nd Phase Diamond Drilling

Prospect	Hole_ID	East	North	Grid_ID	Azimuth	Inclination	Total Depth
Central	ADD008A	461934	7085978	MGA94_56	247	-58	16.08
Northern	ADD009	461944	7086061	MGA94_56	225	-58	14.02
Northern	ADD010	461922	7086056	MGA94_56	036	-80	14.53
South/Central	ADD011	461967	7085958	MGA94_56	232	-60	9.97
South/Central	ADD012	461963	7085912	MGA94_56	002	-58	21
Central	ADD013	461912	7085964	MGA94_56	065	-60	22

The manganese mineralisation is hosted within well-defined brecciated shear zones, open along strike in both directions and down dip. Manganese mineralisation is generally hosted within oxidized and transitional zones of silicified (jasperoid) volcanic meta-sediment units and is often expressed as manganese replacement within the brittle-fracture zones (see Photo 1, 2 and Figure 3).

Best intersections from the second phase 2020 drilling program include: -

- ADD008A – 1.5m @ 42.14% MnO from surface
- ADD008A – 1.0m @ 13.26% MnO from 1.5 metres
- ADD008A – 1.0m @ 26.85% MnO from 13.98 metres
- ADD009 – 1.5m @ 11.42% MnO from surface
- ADD010 – 1.0m @ 33.81% MnO from surface
- ADD010 – 1.0m @ 17.99% MnO from 2 metres
- ADD010 – 1.0m @ 12.60% MnO from 4 metres
- ADD012 – 1.5m @ 12.33% MnO from surface
- ADD013 - 1.0m @ 12.02% MnO from surface



Photo 1: Amamoor Northern Zone Hole ADD010 – 0 to 2.74m, strongly fractured black manganese with minor silicified jasper fragments

Results from two campaigns of drilling and geological interpretation based on these and earlier results indicate that bulk mining of lower grade mineralisation could be utilised for this manganese deposit to provide mill-feed for a gravity and magnetic beneficiation plant to produce a marketable, high-grade product.

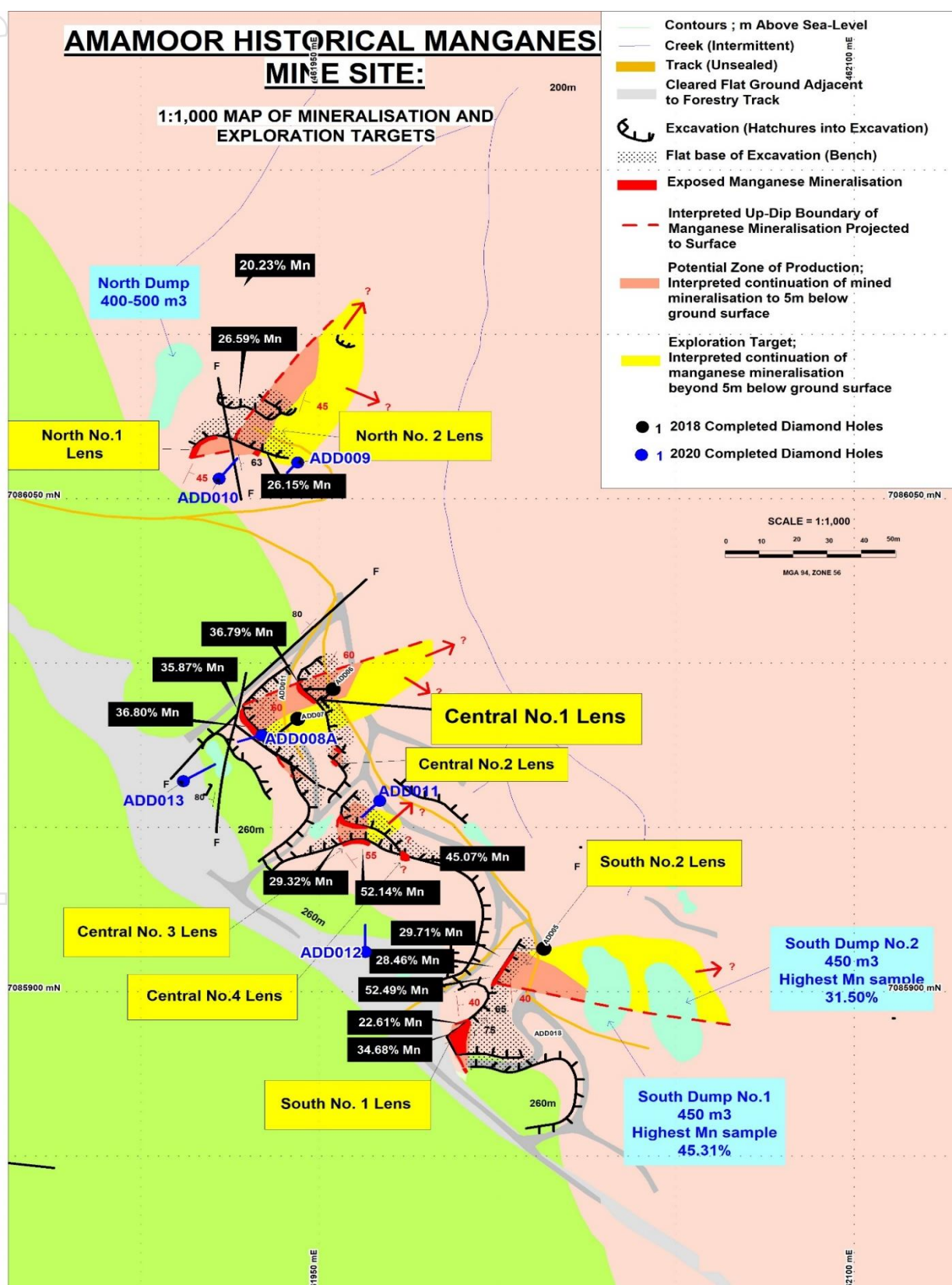


Figure 3: Location Map and 2020 Drill Collar Position within Amamor Manganese Project



Photo 2: Diamond Drill Rig at the Amamoor South-Central Manganese Prospect

A complete assessment of all previous and recent drill intersections, the geological environment and structure of mineralisation grade distribution with beneficiation potential, will be conducted over ensuing periods together with bulk sampling procedures.

IVITTUUT PROJECT – GREENLAND

On 14 January 2021 Eclipse announced it had entered into an agreement to acquire the Ivittuut Project in Greenland, the world's largest and only cryolite mine from which cryolite was historically produced. The historical Ivittuut mine (MEL2007/45 of 50sqkm) is recorded as having produced 3.8 million tonnes of high-grade cryolite for use in the aluminium industry over its 120-year life.

Eclipse undertook an extensive data review of all available open file exploration, mining and pre-feasibility reports in the Geological Survey of Denmark and Greenland (GEUS) records along with academic literature covering the Ivittuut and Gronnedal-Ika areas of southwest Greenland.

The review included evaluating drill data from the historical open-cut pit and surrounding areas within the current exploration license. Other reports accessed included exploration drilling, engineering reports covering mining methods, cross-sections, resource block modelling based on lithology/grade, local and regional geology maps, and pre-feasibility studies on a high-grade quartz unit within the pit environs.

The Company's evaluation identified the Ivittuut Project as having extensive exploration potential plus short-term cash-flow opportunities. Strong potential was identified for generating JORC compliant resources of cryolite, REE minerals, sphalerite and high-grade quartz in the pit plus the historical low-grade dumps and tailings which contain large volumes of mineralised rock. Presence of a large body of carbonatite with documented REE potential within this exploration licence was also noted.

Based on the current/future market and substantial historical data, the Board of Eclipse Metals agreed to proceed with acquisition of the Ivittuut project from Cerium Pty Ltd in late November 2020. The acquisition concluded on the 14th of January 2021.

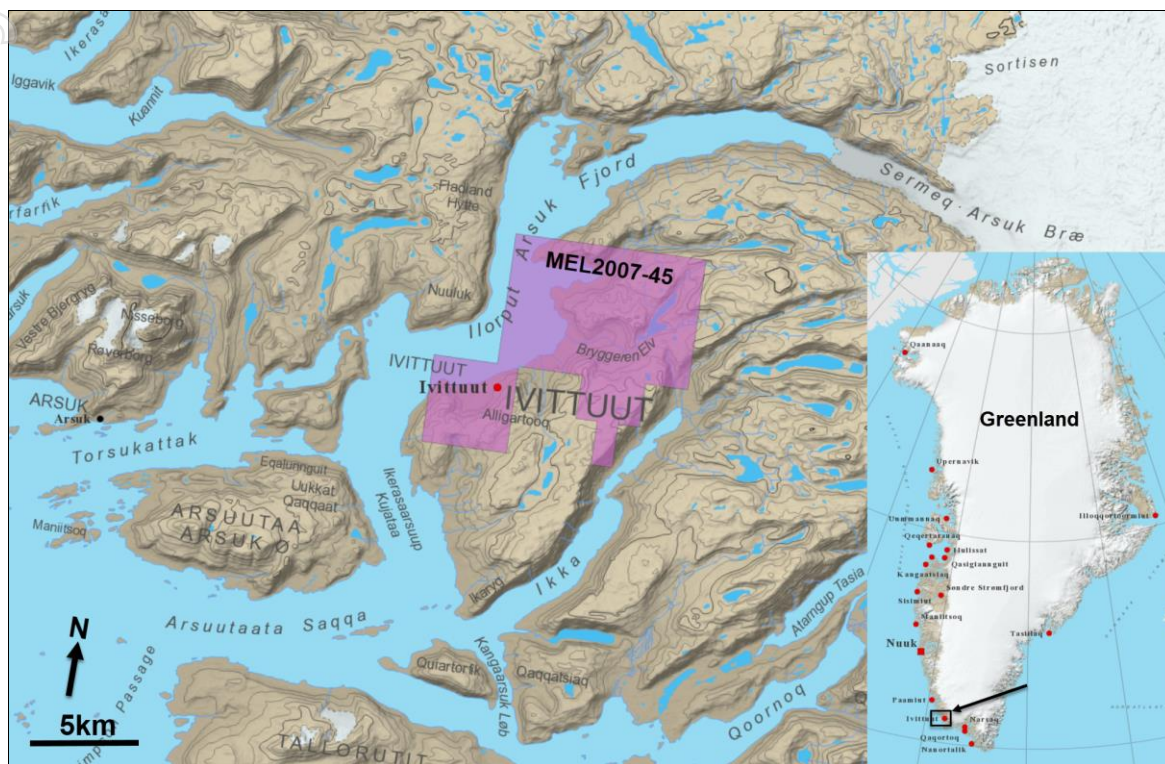


Figure 4: Ivittuut Project Location Map



Photo 3: Ivittuut Project in Production



Photo 4: Aerial image of Ivittuut and the cryolite mine in 1960, showing the working open-pit, mine infrastructure, ore and waste dumps and ship loading facilities.

Refer to ASX Announcement: 14 January 2021 – Acquisition of the World's Largest Historical Cryolite Mine with Rare earth potential and Placement for further information.

NORTHERN TERRITORY- NGALIA BASIN URANIUM PROSPECTS (Refer map)

The Ngalia Basin is located approximately 300km west-northwest from Alice Springs and is considered highly prospective for sandstone paleochannel style uranium mineralisation.

Currently, the Company holds 270km² of granted tenure (EL24808 & EL32080) with another 7,570 km² under exploration licence application (ELAs 24623, 31499-31502 & ELAs 32077-32079 & ELA 26487) within the Ngalia Basin.

Eclipse Metals is seeking drilling rigs to conduct initial reconnaissance drilling in EL24808 (Cusack's Bore) and EL32080 (Ngalia North), in the northern part of Ngalia Basin, targeting potentially uranium/vanadium bearing paleochannels indicated from its 2019 geophysical gravity survey over EL24808. Paleochannels from Cusack's Bore appears to extend south into Ngalia North, which will be verified with further gravity or seismic surveys prior to drilling.

The Ngalia Basin notably hosts the following deposits nearby:

1. Bigrlyi Deposit (inferred and indicated resources of 9,570t of U3O8 at 1,283 ppm and 8,930t of V2O3 averaging 1197 ppm at 500 ppm U3O8 cut-off);
2. Capper Deposit (Inferred Resource 3,200t of U3O8, averaging 145 ppm U at 100ppm cut-off)
3. Napperby Project (inferred resource of 3,643t of U3O8 at 382 ppm U at and 2,251t of V2O3 grading 236 ppm at 200 ppm U3O8 cut-off)

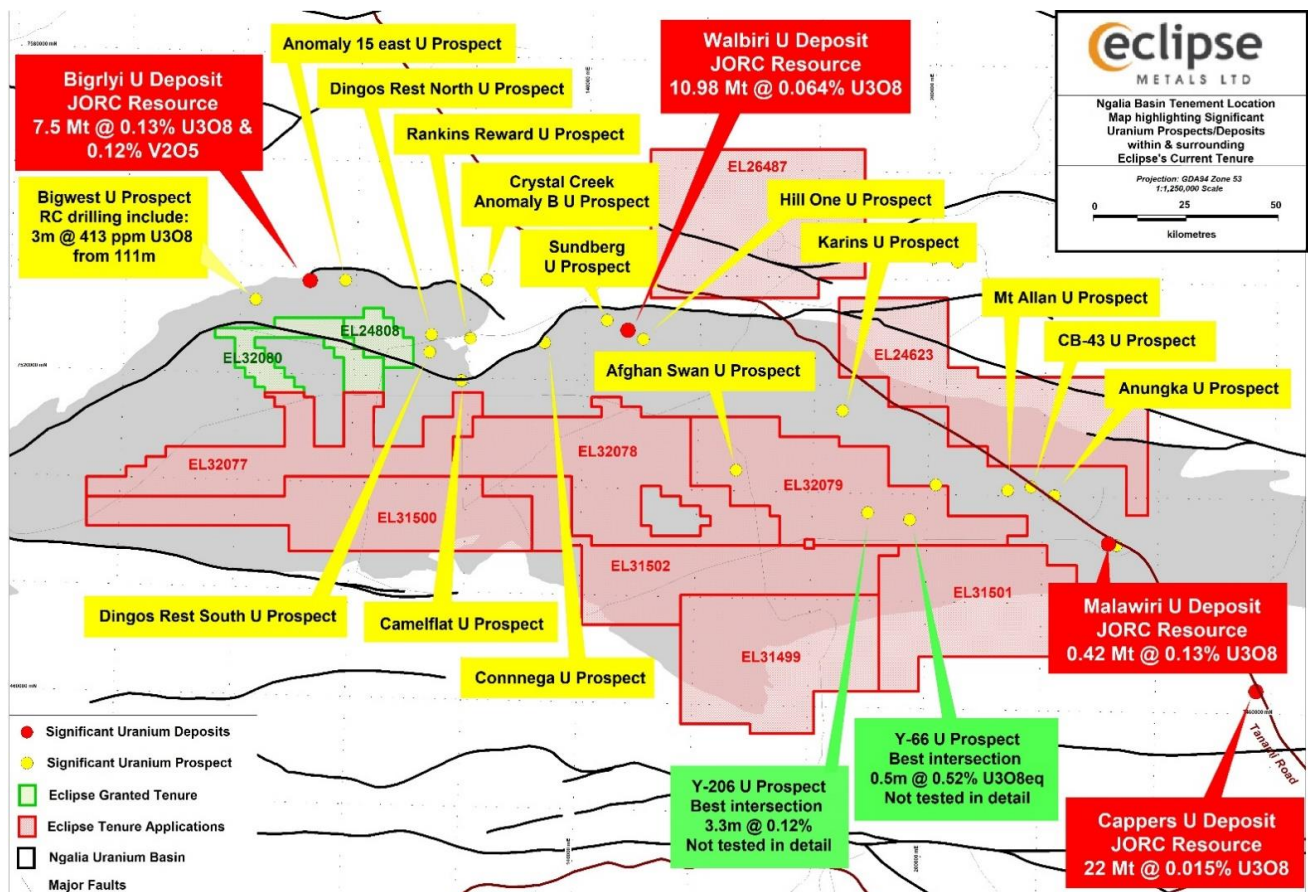


Figure 5: Eclipse Metals Ngalia Exploration Licence Location Map showing various U Resources and Prospects

NORTH AND NORTH-EAST NGALIA BASIN (Refer map)

In October 2020, the Company made a submission to the NT Department of Primary Industry and Resources and the Central Land Council for consent to grant ELA24623 (Eclipse Uranium Project, of 915km²) and ELA26487 (Yuendi Copper-Uranium Project, of 960km²). The Central Land Council (CLC) has acknowledged receipt of the Company's application for consent to negotiate on these exploration licence applications, pursuant to section 41(6) of the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) (the Act). The standard negotiating period commenced in November 2020.

During the negotiation period, the CLC will arrange a meeting pursuant to section 42 (4) (a-d) of the Act. The Company is scheduling a meeting with the CLC who will consult with the Traditional Landowners to consider facilitating initial meetings with Eclipse Metals to commence negotiations.

ELA24623 on the north-eastern fringe of the Ngalia Basin is highly prospective for sandstone-type uranium mineralisation.

Application for ELAs 32077, 32078, 32079, 32499, 32500, 32501, and 32502 are progressing through normal channels.

NGALIA BASIN BASE METAL PROSPECTS (Refer Figure 5)

Historical exploration over ELA26487 (Yuendi), on the northern fringe of Ngalia Basin, has indicated anomalous base metals values in the Rock Hill Copper Field, covered by this ELA, which include abandoned mines as well as polymetallic veins. Within this ELA there are 10 copper prospects that remain relatively unexplored. The copper deposits within the Mt Hardy Mineral Field (5.4 km due east from the eastern boundary of ELA 26487) were discovered in 1935, with mineralisation reported within quartz reefs and pegmatite-aplite veins within the Lower Proterozoic schist.

Minerals recognised in the oxidised zone are malachite, azurite and chalcocite, with chalcopyrite predominant in the sulphide zone. Significant copper mineralisation may also be contained within gneiss formations adjacent to these veins. The average width of the mineralised veins from surface is about one metre (max of 30 metres) with an average length of 100 metres (Warren, Steward, and Shaw).

Upon granting of these two ELAs, planning will commence for comprehensive exploration programs to include geological mapping, geochemical sampling, geophysical surveys and ultimately drilling.

CORPORATE

Non-Executive Director Appointment

During the Period on 1 July 2020 Mr Pedro Kastellorizos was appointed as independent Non-Executive Director.

Mr Kastellorizos has nearly 22 years of experience working as a geologist with multi-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.

TENEMENT SCHEDULE

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
EL 24808	Cusack's Bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	32
EPM 17672	Mary Valley	Manganese	Granted	Qld	Walla Mines Pty Ltd	100	7
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd	100	4
ELA 27584	Devil's Elbow	Uranium	Application	NT	North Minerals Pty Ltd	100	30

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
ELA 24623	Eclipse	Uranium	Application	NT	Eclipse Metals Ltd	100	305
ELA 24861	Lake Mackay	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 26487	Yuendi	Cu, Uranium	Application	NT	Whitvista Pty Ltd	100	320
ELA 31065	Liverpool 1	Uranium	Application	NT	Eclipse Metals Ltd	100	68
ELA 31499	Ngalia 1	Uranium	Application	NT	Eclipse Metals Ltd	100	249
ELA 31500	Ngalia 2	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31501	Ngalia 3	Uranium	Application	NT	Eclipse Metals Ltd	100	250
ELA 31502	Ngalia 4	Uranium	Application	NT	Eclipse Metals Ltd	100	226
ELA 31770	Liverpool 2	Uranium	Application	NT	Eclipse Metals Ltd	100	50
ELA 31771	Liverpool 3	Uranium	Application	NT	Eclipse Metals Ltd	100	240
ELA 31772	Liverpool 4	Uranium	Application	NT	Eclipse Metals Ltd	100	51
ELA 32077	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	195
ELA 32078	Central Ngalia	Uranium	Application	NT	Eclipse Metals Ltd	100	248

Competent Persons Statement

Mr Kastellorizos confirms that the entity is not aware of any new information or data that materially affects the information contained in the information and ASX releases referred to in this report.

The information in this report that relates to exploration results together with any related assessments and interpretations is based on information compiled by Mr Pedro Kastellorizos. Mr. Kastellorizos is a Non-Executive director of Eclipse Metals Limited, and is a Member of the AusIMM and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. 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. Additionally,

For further information please contact:

Carl Popal - Executive Chairman
T: +61 8 9480 0420

Rod Dale – Non- Executive Director
T: +61 8 9480 0420

Auditor's Independence Declaration

The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included on page 17 and forms part of the directors' report for the half- year ended 31 December 2020.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the corporations Act 2001.

On behalf of the directors



Mr Carl Popal
Executive Chairman
11 March 2021
Perth, Western Australia

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ECLIPSE METALS LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Eclipse Metals Limited, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Eclipse Metals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the [name of entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 11 March 2021.

Responsibility of the Directors for the Financial Report

The directors of Eclipse Metals Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Stantons International

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
11 March 2021

11 March 2021

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

Dear Sirs

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 review of the financial statements of Eclipse Metals Limited for the period ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Martin Michalik
Director

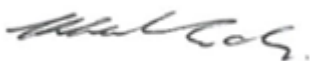
Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached condensed consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standard AASB 134 'Interim Financial Reporting' and giving a true and fair view of the financial position as at 31 December 2020 and performance of the Group for the half year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001

On behalf of the directors



Mr Carl Popal
Executive Chairman
11 March 2021
Perth, Western Australia

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2020

	Note	Consolidated Half-year ended	
		31 Dec 2020 \$	31 Dec 2019 \$
Continuing operations			
Revenue and other income	2	187	64,973
Employee benefits expenses and director fees		(81,449)	(40,695)
Consultancy expenses		(54,387)	(64,814)
Professional services expenses		(55,551)	(38,970)
Listing expenses		(18,724)	(9,388)
Travel expenses		(15,198)	(2,456)
Administration expenses		(60,835)	(49,141)
Finance expenses		(314)	(365)
Impairment of Exploration and Expenditure		-	(1,061,872)
Debt forgiveness		131,557	-
Loss before income tax		(154,714)	(1,202,728)
Income tax expense		-	-
Loss for the period		(154,714)	(1,202,728)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(154,714)	(1,202,728)
Loss attributable to:			
Owners of Eclipse Metals Limited		(154,714)	(1,175,511)
Non-controlling interests		-	(27,217)
		(154,714)	(1,202,728)
Total comprehensive loss attributable to:			
Owners of Eclipse Metals Limited		(154,714)	(1,175,511)
Non-controlling interests		-	(27,217)
		(154,714)	(1,202,728)
Loss per share:			
Basic and diluted (cents per share)		(0.02)	(0.10)

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

Consolidated statement of financial position as at 31 December 2020

	Note	Consolidated	
		31 Dec 2020 \$	30 Jun 2020 \$
Current assets			
Cash and cash equivalents		555,986	961,860
Trade and other receivables		34,009	27,401
Prepayments		12,088	2,508
Total current assets		602,083	991,769
Non-current assets			
Exploration and evaluation expenditure	3	2,590,745	2,464,830
Total non-current assets		2,590,745	2,464,830
Total assets		3,192,828	3,456,599
Current liabilities			
Trade and other payables		370,045	479,102
Total current liabilities		370,045	479,102
Total liabilities		370,045	479,102
Net assets		2,822,783	2,977,497
Equity			
Issued capital	4	26,459,147	26,459,147
Reserves		38,950	38,950
Accumulated losses		(23,650,669)	(23,495,955)
Owners of Eclipse Metals Limited		2,847,428	3,002,142
Non-controlling interests		(24,645)	(24,645)
Total equity		2,822,783	2,977,497

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

**Consolidated statement of changes in equity
for the half-year ended 31 December 2020**

	Issued capital \$	Reserves \$	Accumulated losses \$	Sub-total \$	Non- controlling interests \$	Total \$
Balance at 1 July 2019	25,470,011	38,950	(23,176,859)	2,332,102	(24,609)	2,307,493
Loss for the period	-	-	(1,175,511)	(1,175,511)	(27,217)	(1,202,728)
Total comprehensive loss for the period	-	-	(1,175,511)	(1,175,511)	(27,217)	(1,202,728)
Issue of ordinary shares	259,300	-	-	259,300	-	259,300
Share issue costs	(2,796)	-	-	(2,796)	-	(2,796)
Balance at 31 December 2019	25,726,515	38,950	(24,352,370)	1,413,095	(51,826)	1,361,269
Balance at 1 July 2020	26,459,147	38,950	(23,495,955)	3,002,142	(24,645)	2,977,497
Loss for the period	-	-	(154,714)	(154,714)	-	(154,714)
Total comprehensive loss for the period	-	-	(154,714)	(154,714)	-	(154,714)
Issue of ordinary shares	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Balance at 31 December 2020	26,459,147	38,950	(23,650,669)	2,847,428	(24,645)	2,822,783

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

Consolidated statement of cash flows for the half-year ended 31 December 2020

	Note	Consolidated Half-year ended	
		31 Dec 2020 \$	31 Dec 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(279,832)	(193,004)
Refund of Tenement Deposit		(314)	-
Refund from R&D		-	64,033
Finance costs		-	(365)
Interest received		187	940
Net cash (used in) operating activities		(279,959)	(128,396)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(125,915)	(9,188)
Net cash (used in) investing activities		(125,915)	(9,188)
Cash flows from financing activities			
Proceeds from issuance of shares		-	248,000
Share issue costs		-	(2,796)
Net cash generated from financing activities		-	245,204
Net (decrease) / increase in cash and cash equivalents		(405,874)	107,620
Cash and cash equivalents at the beginning of the period		961,860	358,469
Cash and cash equivalents at the end of the period		555,986	466,089

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

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2020

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Group for the year ended 30 June 2020 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 11 March 2021.

a. Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2020 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial statement is intended to provide users with an update on the latest annual financial statements of Eclipse Metals Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group.

b. Going Concern

The financial report has been prepared on a going concern basis that contemplates the continuity of normal business activities and the realization and extinguishment of liabilities in the ordinary courses of business. For the half year ended 31 December 2020 the Group incurred a loss of \$154,714 (31 December 2019: loss \$1,202,728). Based upon the Group's existing cash resources of \$555,986 (30 June 2020: \$961,860) and the ability to modify expenditure outlays if required, and to source additional funds, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the Group's 31 December 2020 half year financial report. Subsequent to period ending December 2020, the Group had a capital raising and has raised 2million before costs. In the event that the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

c. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

2. Revenue and other income

	31 Dec 2020	31 Dec 2019
	\$	\$
Research and Development tax incentive	-	64,033
Interest income	187	940
	<u>187</u>	<u>64,973</u>

3. Exploration and evaluation expenditure

	31 Dec 2020	30 Jun 2020
	\$	\$
Balance at beginning of the period/year	2,464,830	2,418,542
Additions	125,915	46,288
Impairment	-	-
Balance at the end of the period/year	<u>2,590,745</u>	<u>2,464,830</u>

Exploration and evaluation expenditure

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.

4. Issued Capital

	31 Dec 2020	30 Jun 2020
	\$	\$
Fully paid ordinary shares (a)	26,459,147	26,459,147
	<u>26,459,147</u>	<u>26,459,147</u>

(a) Fully paid ordinary shares

	31 Dec 2020		30 Jun 2020	
	No.	\$	No.	\$
Balance at beginning of period /year	1,414,623,531	26,459,147	1,148,674,090	25,470,011
Shares issued during the period	-	-	86,433,334	259,300
Placement	-	-	83,040,000	249,120
Placement	-	-	96,476,107	530,618
Share issue costs	-	-	-	(49,902)
	<u>1,414,623,531</u>	<u>26,459,147</u>	<u>1,414,623,531</u>	<u>26,459,147</u>

5. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities at the end of the reporting period.

6. Commitments*a. Leasing commitments*

At the half-year ended 31 December 2020, the Group had a lease agreement with Amberley Business Centre. The lease is on an ongoing basis and the Company may give one months' notice to terminate the lease otherwise the Company can also re negotiate the rent agreement.

b. Exploration commitments

Exploration commitments for the next one (1) year totalled \$676,000. These commitments may vary depending on whether the Group relinquishes any tenements or enters into formal arrangements.

7. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2020 annual financial report.

Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

8. Segment information

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately. Eclipse Metals Limited has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenues and results of this segment are those of the Group and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Group and are set out in the consolidated statement of financial position.

9. Subsidiaries

Entity	Incorporation	Percentage owned (%) *	
		31 Dec 2020 Ownership	30 Jun 2020 Ownership
North Minerals Pty Ltd	Australia	100.00	100.00
Central Energy Pty Ltd	Australia	100.00	100.00
Whitvita Pty Ltd	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.

10. Subsequent events***Acquisition of the Ivittuut Project and Capital Raising***

On 14 January 2021, Eclipse announced it had entered into an agreement to acquire the Ivittuut Project in Greenland, the world's largest and only cryolite mine from which cryolite was historically produced.

To acquire such an important project for the Company in the form of the Ivittuut Project – Greenland, requires significant effort and the majority of the December 2020 quarter was characterised by large work volumes by the Board.

Given the historical nature of Ivittuut, there are voluminous research reports, records and information to review which was progressed in detail by the Board. A large portion of the information had to be translated to English before the review and interpretation could begin.

\$2 Million Capital Raising

Running in parallel with the Ivittuut Project was planning for the capital raising which was announced on 14 January 2021. This raised \$2,000,000 (before costs) which will be used to progress the Ivittuut Project as well as enabling the Company to retain the financial capacity to advance its existing Australian portfolio of uranium and manganese prospects.

Subsequent to the Period on 18 January 2021 the Company completed a placement to sophisticated, professional and experienced investors of \$2 million by way of issue of 133,333,334 ordinary shares at \$0.015 per share.

Cost of the project

The consideration paid/ to be paid to acquire the project is as follows:

Terms of Agreement	Cash Consideration \$	Issue of Shares	Issue of Options
Initial Completion (a)	\$50,000 ¹	212,000,000	-
Second Completion (b)	\$100,000	154,000,000	95,000,000 ²
12 Months after 2 nd Completion	-	-	340,000,000 ³
	150,000	366,000,000	435,000,000

1. Paid on the 14th January 2021

2. 62,500,000 Options exercisable at \$0.015 on or before 3 years from the date of issue; 32,500,000 Options exercisable at \$0.05 on or before 5 years from the date of issue.

3. 180,000,000 options at \$0.015 cents expiring 3 years from date of issue; 160,000,000 options exercisable at \$0.05 expiring 5 years from date of issue

(a) Initial Completion – defined as 10 days after the execution of the Agreement.

(b) Second Completion – defined as 10 business days after the satisfaction or waiver of conditions precedent as stipulated in the Agreement.

Conditions precedent to the second completion are:

- Eclipse holding a general meeting (EGM) at which it seeks to obtain all shareholder approvals required for issue of the securities set out in the table below in Phase 2 and Phase 3;
- The Sellers obtaining such regulatory approvals in Greenland (if any) as are necessary to transfer the Tenement to the Company and the Company becoming the sole registered as the holder of the Tenement on conditions satisfactory to the Company; and
- Completion by the Company of due diligence on the Assets.

Other than the above, there has not been any other matter or circumstances that have arisen since the end of the reporting date and to the date of this report that significantly affects or may significantly affect the results of the operations of the Group.