

31 October 2022

## **Quarterly Activities Report and Appendix 5B** **For the Quarter ending 30 September 2022**

Eclipse Metals Ltd (ASX: **EPM**) (**Eclipse** or the **Company**) is pleased to report its activities for the quarter ending 30 September 2022.

### **HIGHLIGHTS**

#### **IVIGTÛT AND GRØNNEDAL PROJECTS**

- Commencement of maiden drilling and trenching program at Ivigtût and Grønnedal projects in Greenland
- Drilling, designed to follow-up REE targets, expected to be completed in October
- Program commenced following approval from Greenland's Minerals Licenses and Safety Authority (MLSA).
- Leading European consultancy group to assist the Company with Environmental and Social Impact Assessments for Ivigtût Project.

#### **CORPORATE**

- Completion of \$2 million placement at price of \$0.02 per share.
- Placement proceeds to assist with field activities in Greenland.
- Quotation of EPMOA Options on ASX.
- Eclipse Annual General Meeting to be held on 9 November 2022.

### **IVIGTÛT PROJECT- GREENLAND**

#### **Overview**

Eclipse acquired mineral exploration licence MEL2007-45 in Greenland in January 2021. The project area hosts the historic Ivigtût cryolite mine and undeveloped mineral resources. Over 120 years, between 1865 and 1985, the Ivigtût mine produced 3.8 million tonnes of high-grade cryolite for use in the aluminium industry, from the world's largest known minable resource of naturally occurring cryolite.

Ivigtût is located in southwestern Greenland and has a power station and fuel supplies to service this station and local road infrastructure to support mineral exploration. About 5.5km to the northeast of Ivigtût, the settlement of Kangilinnuit provides a heliport and an active wharf with infrastructure.

#### **ECLIPSE METALS LTD**

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The Grønnedal carbonatite complex is less than 10km from Ivigtût and only 5km from the port of Kangilinnuit. This complex ranks amongst the larger alkaline intrusions of the Gardar Igneous Province in Greenland and is recognised by GEUS as one of the prime REE targets in the country, along with Kvanefjeld and Kringlerne (also referred to as Tanbreez) (Paulick et al., 2015).

Assay results from grab samples collected earlier this year show the various styles of REE mineralisation at Grønnedal and Ivigtût ranging from light to heavy REE. Their respective geological host environments are testament to a complex intrusive history with multiple episodes of REE enrichment (refer ASX release 24th March 2022). Previous tenement holders concentrated on exploring and mining the Ivigtût cryolite deposit. Eclipse is the first company to test the REE and multi-element potential at both Grønnedal and Ivigtût.

## Activities

### Commencement of maiden drilling program

Eclipse recently commenced a maiden program of drilling and trenching on its Ivigtût and Grønnedal projects (refer ASX release 6 October 2022). The percussion drilling program is designed to follow-up REE targets and obtain samples from the mine wall rocks. The Company expects to complete the program during October.

In addition to drilling, the Company is undertaking a surface sampling program in areas of interest defined by remote sensing surveys and in proximity of the historical mine precinct. Findings from geophysical inversion modelling and satellite imagery analysis have provided Eclipse with many targets for field checking and sampling to be conducted where possible during the current exploration program (refer ASX release 13 June 2022 for further details). Surface samples from the Grønnedal prospect, collected during a previous site visit, have been sent to St Andrews University for technical analysis.

Investigations around the Ivigtût mine-site will include sampling of remnant waste dumps to assess cryolite, fluorite and base metal content and outcrop areas to assess REE and lithium prospectivity. Executive Chairman, Carl Popal, has joined the Greenlandic drilling contractor and geologist on site to oversee and report on the program as it progresses.

Commencement of the drilling program follows the Minerals Licenses and Safety Authority in Greenland granting Eclipse approval for field activities for the 2022 field season.

Eclipse will update the market with the results of this exploration program as they come available.

### Commencement of environmental and social studies for Ivigtût mining licence application

During the quarter Eclipse announced it had engaged a leading international consultancy group based in Europe to commence environmental and social studies for the multi-commodity Ivigtût project (refer ASX release 29 September 2022).

The consultancy has expertise across engineering, environmental science, and architecture and provides services including studies and concept design, design development and finalisation, planning/permissions, construction management, PMC services and asset management.

The group will work with Eclipse to assist in preparing environmental and social impact assessments (EIA and SIA) required for Eclipse's application for an exploitation (mining) licence at Ivigtût from Greenland's Mineral Licenses and Safety Authority (MLSA). This work will include data collection, mapping and public consultation for environmental and social studies.

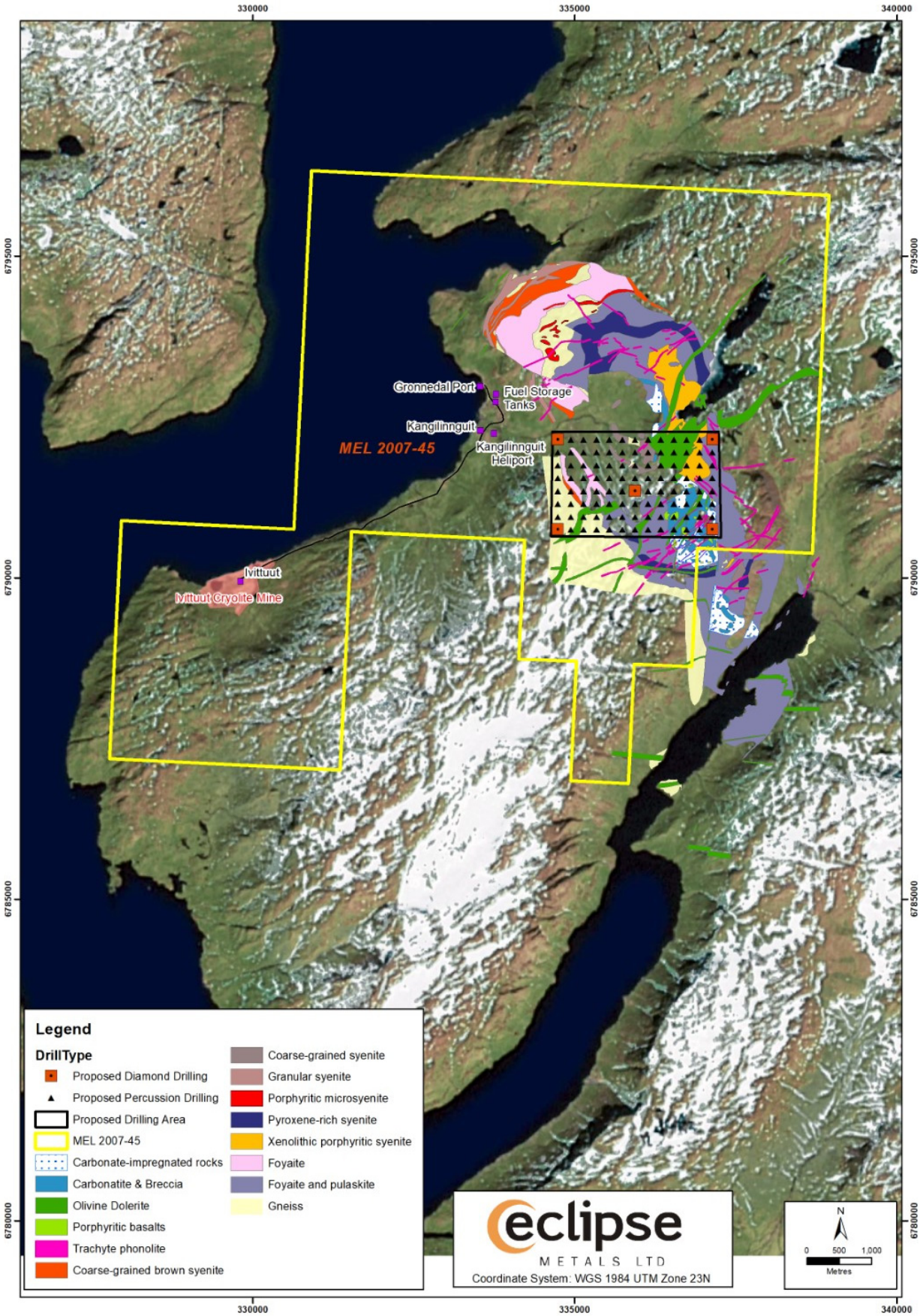


Figure 1: Map of Exploration Drill Targets

Eclipse Executive Chairman Carl Popal said work to be completed by the consultancy would be important in progressing the Company's development of Ivigtût.

Pursuant to the Greenlandic Mineral Resources Act no. 7 of 7 December 2009 on mineral resources and activities of significance for these (the Mineral Resources Act), and later amendments, mineral resources companies must prepare a SIA and EIA in connection with developing mineral projects.

The estimated timeframe for the completion and submission of these reports is usually two to three years. Eclipse expects that this timeframe will be reduced with the benefit of existing documents and reports held by the Company, which will contribute to form part of the scoping phase for the Social Impact Assessment undertaken by Eclipse. Eclipse recently received approval from the MLSA to commence its 2022 field season at Ivigtût, which will include a planned drill programme at the Grønnedal REE prospect.

## NT URANIUM PROJECTS

### Liverpool Project

Eclipse has commenced the ethnographic survey of ELAs 31065 and 31770 within the Liverpool group of tenements located in the Alligator Rivers Uranium province in the Northern Territory with the assistance of Northern Land Council (NLC). The survey is to assess Aboriginal sacred sites as part of further negotiations with the traditional landowners as we progress toward granting for these tenements. The surveys are expected to be completed in Q2 of the financial year.

### Ngalia Basin

The Company is in discussion with the Central Land Council for an access agreement to permit limited exploration drilling on its granted tenements.

## CORPORATE

### Completion of \$2M placement

In August, Eclipse Metals announced it had received firm commitments from sophisticated investors to raise \$2 million before costs via a placement (**Placement**) of 100 million shares at an issue price of \$0.02 per share (**Placement Shares**).

Subscribers to the Placement were offered one (1) free attaching option exercisable at \$0.05 expiring 17 September 2024 (**Placement Options**) for every one subscribed Placement Share. The Company will seek quotation of the Placement Options, being a total of 100 million options.

Allotment of the Placement Shares occurred in September 2022. Eclipse is using funds raised from the Placement for drilling campaigns in Greenland.

The Placement was managed by Ignite Equity Pty Ltd (**Ignite**). Ignite is a boutique corporate advisory firm specialising in funding and acting as corner investor for small-cap ASX listed Companies.

A total of 100,000,000 Placement Shares were issued pursuant to the Company's existing Listing Rule 7.1A placement capacity. In addition, the 100 million Placement and 7.5 million Broker Options were issued pursuant to Listing Rule 7.1.

## Quotation of Options

As indicated at the time of Placement, the Company proceeded to seek approval for the quotation of the Placement Options. The process necessitated application to ASX for a waiver from ASX Listing Rule 6.23.4 which requires shareholder approval to change a term of an issued option. ASX granted the waiver on 16 September 2022. All other terms of the options as set out in the Prospectus remain unchanged.

A total of 298,476,469 options exercisable at \$0.05 expiring 17 September 2024 have been quoted under the ASX ticker code "EPMOA".

## Annual General Meeting date

Eclipse Metals will hold its Annual General Meeting of Shareholders at the Rendezvous Hotel, Scarborough, Perth, WA on 9 November 2022 at 11:00am (AWST). It issued a noticed of meeting including resolutions to be consider at the meeting on 7 October 2022.

## ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter was \$230,000. Full details of exploration activity during the quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter: \$94,000 cash. The Company advises that this relates to non-executive, executive directors' fees and consulting fees only. Please see the Remuneration Report in the Annual Report for further details on Directors' Remuneration.

For further information please contact:

**Carl Popal**  
Executive Chairman

**Oliver Kreuzer**  
Non-Executive Director



## Competent Persons Statement

*The information in this report that relates to Exploration Results and Exploration Targets together with any related assessments and interpretations is based on information compiled by Mr. Rodney Dale, a Non-Executive director of Eclipse Metals Limited. Mr. Dale is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Dale has verified the data disclosed in this release and consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.*

## References

Paulick, H., Rosa, D., and Kalvig, P. (2015). Rare earth element projects and exploration potential in Greenland. Center for Minerals and Materials (MiMa), Geological Survey of Denmark and Greenland (GEUS), Rapport 2015/2, 51p.

**ADDENDUM - ECLIPSE METALS TENEMENT INTERESTS ASX -Listing Rule 5.3.3.**

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

**Granted Tenements**

Tenement	Project Name	Commodity	Status	State	Holder	%	Graticular Blocks
MEL2007-45	Ivigut Project	Cryolite & Rare Earths	Granted	Greenland	Eclipse Metals Limited Greenland	100	50km <sup>2</sup>
EL 24808	Cusack's bore	Uranium	Granted	NT	Eclipse Metals Ltd	100	27
EL 32080	North Ngalia	Uranium	Granted	NT	Eclipse Metals Ltd	100	63
EPM 17672	Mary Valley	Manganese	Granted	Qld	Walla Mines Pty Ltd <sup>1</sup>	100	7
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd <sup>1</sup>	100	4
EL27584	Devil's Elbow	Uranium, Gold, Palladium	Granted	NT	North Minerals Pty Ltd <sup>3</sup>	100	30

**Tenement Applications**

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

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

2 Whistvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

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

## Appendix 5B

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

Name of entity

ECLIPSE METALS LIMITED

ABN

85 142 366 541

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(140)	(140)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(224)	(224)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	16	16
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(346)</b>	<b>(346)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation *	(90)	(90)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Cash acquired on acquisition	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(90)</b>	<b>(90)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,047	2,047
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9)	(9)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>2,038</b>	<b>2,038</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	659	659
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(346)	(346)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(90)	(90)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,038	2,038

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,261</b>	<b>2,261</b>

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

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,261	2,261
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,261</b>	<b>2,261</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	94
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Payments of Directors fees \$94K (excl. GST)		

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

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(346)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(90)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(436)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,261
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,261
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>5</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

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

Date: 31 Oct 2022

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

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.