

28 April 2023

Quarterly Activities Report and Appendix 5B

For the Quarter ending 31 March 2023

Eclipse Metals Ltd (ASX: **EPM**) (**Eclipse** or the **Company**) (ASX: **EPM** | FSE: **9EU**) is pleased to report its activities for the quarter ending 31 March 2023.

HIGHLIGHTS

- Eclipse appointed Frankfurt-based DGWA (Deutsche Gesellschaft für Wertpapieranalyse GmbH), the German Institute for Asset and Equity Allocation and Valuation, as its investor relations and corporate advisor in Europe.
- Eclipse accepted as member of European Raw Materials Alliance (ERMA).
- Joining ERMA aligns with Eclipse's strategy to engage with European agencies regarding development of its Ivigtût rare earths and polymetallic project.
- This membership strengthens EPM's engagement with European stakeholders following commencement of trading on the Frankfurt and Tradegate exchanges in Germany.
- Results from maiden percussion drilling and trench sampling program across the Ivigtût and Grønnedal targets expected in Q2 CY2023.
- Eclipse to collaborate with University of Delaware on sustainable development and diversification of the economy in the Ivigtût project areas.
- Post-quarter, Eclipse completed the scoping phase of Environmental and Social Impact Assessments for the Ivigtût project and submitted scoping reports to Greenland's Mineral Licence and Safety Authority (MLSA).
- Eclipse gained access to historical drill core held in Denmark providing new information about the iron-zinc-copper zone at Ivigtût.

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IVIGTÛT (IVITTUUT) PROJECT- GREENLAND

Activities

Eclipse continued to move forward on its Ivigtût Project in Southwest Greenland during the quarter. As previously announced, Eclipse has completed its maiden percussion drilling and trench sampling program at the historic Ivigtût minesite and Grønnedal carbonatite complex (see ASX announcement 28 November 2022). Laboratory results from this work are expected during Q2 CY2023.

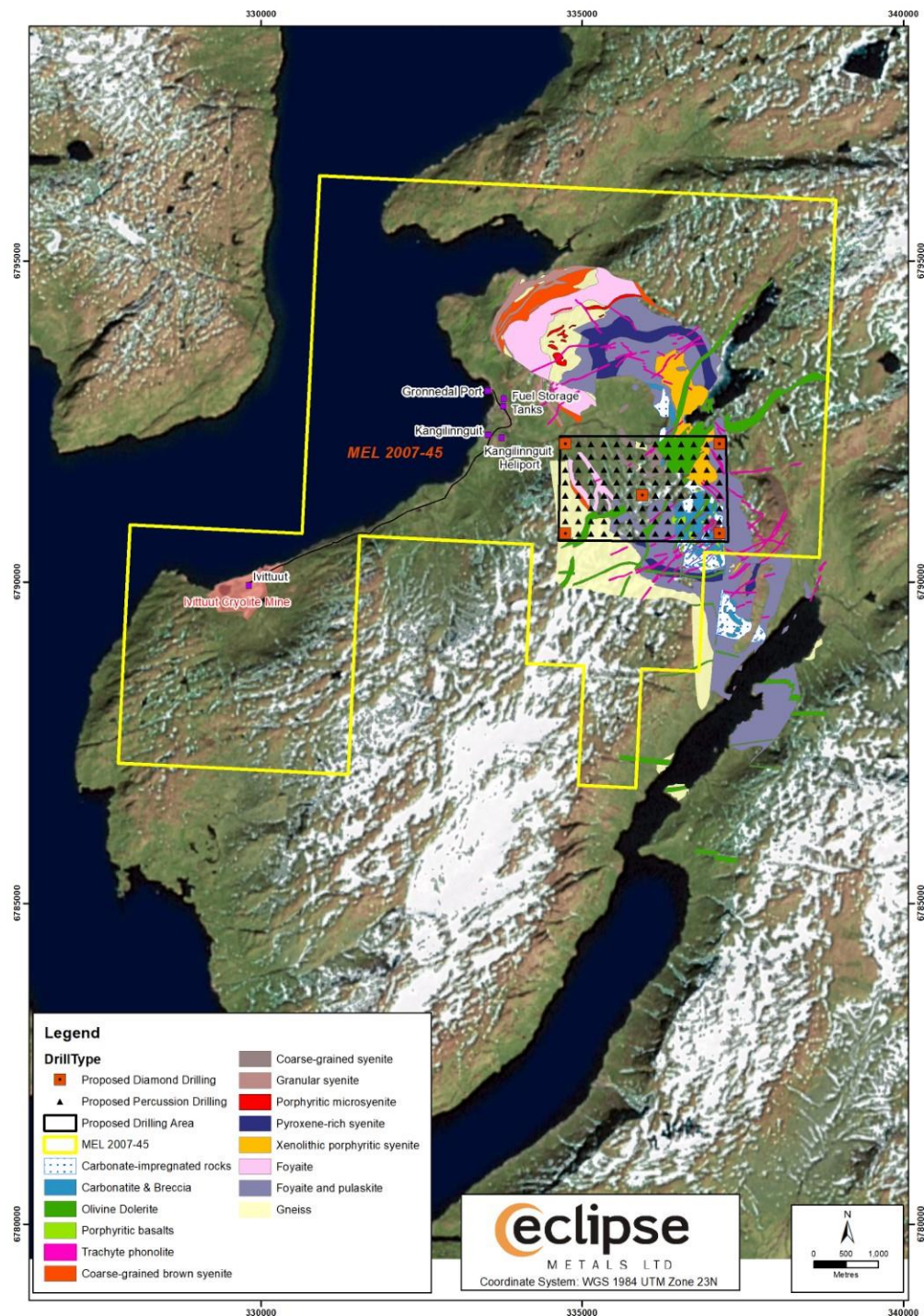


Figure 1: MEL2007-45 Location map and exploration drill targets

Eclipse continued work on its Social and Environmental Impact Assessments for the project as part of an application for a mining licence. The initial phase of these assessments was conducted by Eclipse and Danish consultancy COWI.

Post-quarter, Eclipse announced that it had completed the scoping phase reports of Social and Environmental Impact Assessments. Eclipse has submitted the reports to Greenland's Mineral Licence and Safety Authority (MLSA) to progress the Ivigtût project. Completion of both assessments are integral to applying to the MLSA for a Mining Licence.

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

Data for each of the studies will be collected through published literary reviews, sampling and fieldwork, surveying, local knowledge, data entry, analysis and reporting. Results and findings of these studies will be used to form part of the final assessments, which are required as part of the application to the MLSA for a mining licence in Greenland.

The Environmental Impact Assessment (EIA) will focus on pollution, impacts on flora and fauna, local use, and determining the chemical composition and acid generating potential of ore, waste rock, tailings and other products, including process chemicals. Ecological toxicity tests will also be carried out as part of the environmental scoping study.

The Social Impact Assessment (SIA) will run in parallel with the EIA and will present and analyse information about the social, economic, and health conditions in Greenland. It will construct a baseline of socio-economic data, including monitoring changes in communities that may be affected by the project components. As part of the study, the Company will interact with affected residents and communities during data collection to exchange information on project activities and allow stakeholders to provide feedback about relevant issues to include in the baseline.

Collaboration with University of Delaware on Greenland research

In March, Eclipse announced it had signed a Memorandum of Understanding (MOU) with the Minerals, Materials and Society Program at the University of Delaware, USA (University) to work collaboratively in efforts to research potential avenues for regional sustainable development and diversification of the economy in the proximity of Eclipse's Ivigtût Project in Southwest Greenland.

The University is focused on regional economic development of the Ivigtût project areas, and has received funding from the US government's National Science Foundation. This research is part of a larger project on redevelopment of legacy energy and mineral sites in the Arctic for a just and sustainable transition that recognises greater access to the region due to changing climate.

Eclipse will provide the University with access to project data and research as well as engage with stakeholders for the purpose of potential commercial development of all resources in the area.

Eclipse expects that the research being conducted by the University will assist in providing a framework for, and will potentially contribute to, the Social Impact Assessment (SIA).

Eclipse joins European Raw Materials Alliance

Eclipse was accepted into the European Raw Materials Alliance (ERMA) partner network during the quarter. The partnership with the ERMA is a critical step for Eclipse to engage with and garner support from European stakeholders, in order to further develop the Ivigtût project.

Formed in 2020, the ERMA aims to make Europe economically more resilient by diversifying its supply chains, creating jobs, attracting investments to the raw materials value chain, fostering innovation, training young talent, and contributing to the best enabling framework for raw materials and the Circular Economy worldwide.

ERMA provides support to other Greenland mining projects, including Bluejay Mining's Dundas Ilmenite Project and Greenland Resources' Malmbjerg Molybdenum Project.

Joining the ERMA is the latest step for Eclipse Metals as it strengthens its engagement with European stakeholders following recently commenced trading on the Frankfurt and Tradedate exchanges in Germany and its engagement of a European based investor relations and corporate advisor. Membership will allow Eclipse to participate in ERMA's development strategy for critical minerals and metals.

Eclipse's Ivigtût project aligns with ERMA's objectives to diversify critical raw material supply chains, with the project hosting rare earth elements, base metals and industrial minerals such as high grade quartz and offers an important development opportunity.

The Company's vision for its project in Southwest Greenland is to understand and harness the unique geology of the area and rejuvenate the historical mine site, targeting the project's polymetallic and REE mineralisation to supply industrial and critical minerals to global markets. Being part of the ERMA network will be beneficial throughout all stages of exploration and mining in the area.

ERMA addresses the challenge of securing sustainable access to raw materials, advanced materials, and industrial processing know-how. ERMA covers the full range of elements and minerals required by Europe's green and digital transitions, from critical raw materials to base metals and industrial minerals.

In addition to investing in infrastructure and capacity building within the EU, the Alliance supports activities aimed at securing a sustainable supply of raw and advanced materials for the EU's industrial ecosystems that support the transition to a green and digital economy.

Major mining companies including Rio Tinto, Anglo American and Lynas Corporation are also part of ERMA's partner network, along with many exploration and development companies.

Greenland MEL2007-45 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 Kangilinnguit (Grønnedal) provides a heliport and an active wharf with infrastructure.

The Grønnedal carbonatite complex is less than 10km from Ivigtût and only 5km from the port of Kangilinnguit. 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 Kvaneffjeld and Kringlerne (also referred to as Tanbreez) (Paulick et al., 2015).

Assay results from grab samples collected earlier last 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.

Eclipse is committed to developing a strong ESG framework for the Greenland projects to include minimal environmental impact, developing and preserving local Ivigtût history, assistance to restore the Ivigtût Mining Museum and use of renewable power where possible.

Historical Drill Core Assessment

Eclipse has been in a dialogue with the University of Denmark and its Museum to gain access to some of the historical drill core which was shipped from Greenland to Denmark for display. During the quarter, Eclipse gained access to historic drill core from Exploration Drillhole A (Hole A) which was drilled vertically into the centre of the Ivigtût multi-commodity deposit in Greenland in 1948.

Examination of Hole A by Eclipse has served to visually corroborate reports of mineralisation remaining under the present Ivigtût pit floor (Bondam, 1991). This assessment has also served to visually substantiate significant grades of zinc in historic drill hole intersections in a previously identified gently southwest-dipping tabular body (Domain 2) located directly beneath Domain 1 of the mined cryolite-fluorite body (ref ASX announcement dated 10th March 2021).

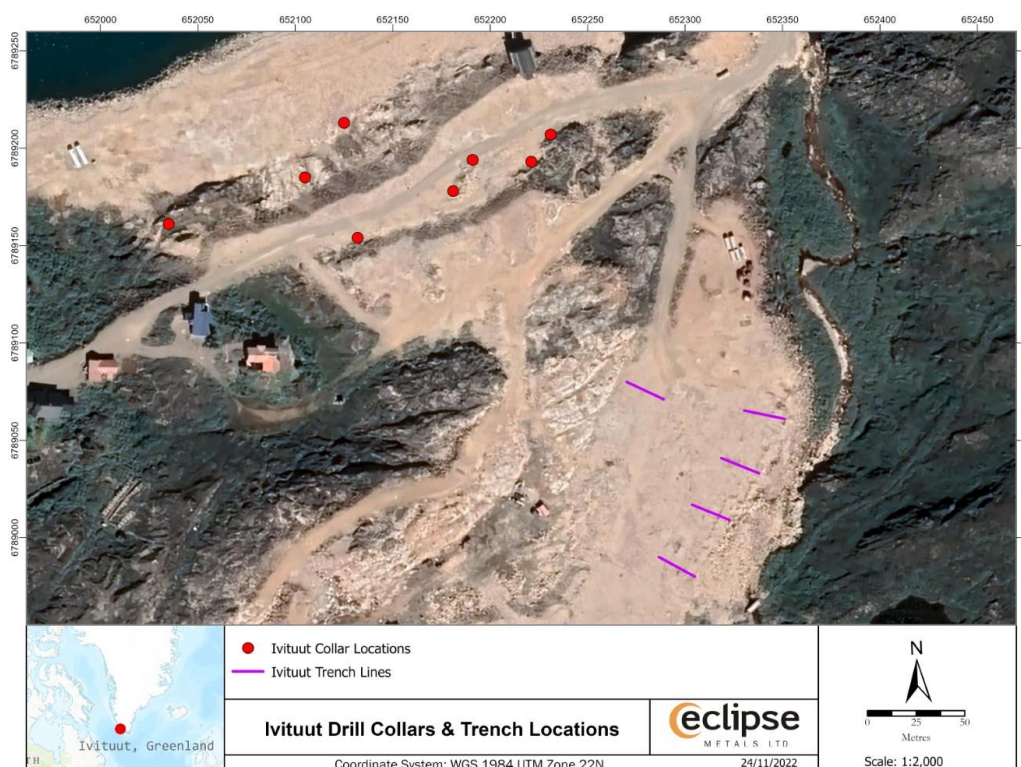


Figure 2: Ivigtût target area. Drill collars are marked with red dots. Bulk sample trenches are marked with purple lines.

CORPORATE

During the quarter the company commenced trading on Frankfurt Stock Exchange and the German Tradegate Exchange under the ticker [FSE: 9EU]. Accordingly, Eclipse appointed Frankfurt-based DGWA (Deutsche Gesellschaft für Wertpapieranalyse GmbH), the German Institute for Asset and Equity Allocation and Valuation as its investor relations and corporate advisor in Europe. Frankfurt Stock Exchange is the largest of Germany's trading exchanges and the second largest stock exchange in Europe.

Tradegate is a fully regulated German trading exchange, 60% owned by Deutsche Börse AG, one of Europe's largest exchanges. The exchange facilitates trading in over 10,000 securities from around the

world. It is the primary exchange for retail share trading for large German and French banks such as Deutsche Bank, Commerzbank and BNP and many of the European online brokers such as Trade Republic.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter was \$96,000. 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: \$92,000 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	Ivittuut Project	Cryolite & Rare Earths	Granted	Greenland	Eclipse Metals Limited Greenland	100	50km ²
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 ¹	100	7
EPM 17938	Amamoor	Manganese	Granted	Qld	Walla Mines Pty Ltd ¹	100	4
EL27584	Devil's Elbow	Uranium, Gold, Palladium	Granted	NT	North Minerals Pty Ltd ³	100	30

Tenement Applications

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

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

² Whitvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

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

Appendix 5B

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

Name of entity

ECLIPSE METALS LIMITED

ABN

85 142 366 541

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(96)	(440)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(171)	(602)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	9
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)	67	83
1.9	Net cash from / (used in) operating activities	(197)	(950)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation *	(45)	(600)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Cash acquired on acquisition	-	-
2.6	Net cash from / (used in) investing activities	(45)	(600)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	-	(99)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,948

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,299	659
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(197)	(950)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45)	(600)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,948

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	1,054	1,054

* 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	1,054	1,299
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,054	1,299

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	92
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 \$92K (excl. GST)		

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(197)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(45)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(242)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,054
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,054
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: 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	
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	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date: 28 April 2023

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.