

26 October 2023

Convertible Loan Agreement

Eclipse Metals Ltd (ASX: **EPM**) (**Eclipse Metals**, the **Company** or **EPM**) is pleased to advise it has entered into a convertible loan agreement with Oz Yellow Uranium Ltd (**Oz Yellow**) for A\$300,000 (**Convertible Note**). The Company will use the proceeds from the convertible note for working capital purposes.

Executive Chairman Carl Popal said “We are pleased to secure the investment funding agreement with Oz Yellow Uranium and continue the commitment to jointly fast-track the proposed uranium asset spinout. This is a further testament of confidence as investors appreciate the value of the Company’s uranium assets. Prospects for the uranium market have improved remarkably during recent months and the spot price of uranium has reached a 15-year high. The Company’s 100% owned uranium portfolio in the NT is well positioned to take advantage of the rising trajectory in the uranium market to fast-track development of its NT assets.”

Key components of the Convertible Note financing are as follows:

- A\$300,000 committed financing in the form of a Convertible Note that may be drawn down at Eclipse’s request.
- No interest is payable and no security is granted.
- In the event Oz Yellow completes the Heads of Agreement (refer ASX announcement 4 April 2022) prior to the repayment date then the aggregate amount outstanding owed will be repaid to the Oz Yellow in full by way of deduction of such amount from any completion payments (**Automatic Repayment Event**).
- The repayment date is 31 December 2023 or such later date as agreed between the parties (**Repayment Date**).
- The Convertible Note is convertible into EPM shares utilising the Company’s existing capacity under Listing Rule 7.1, in the following circumstances:
 - o Eclipse may at any time prior to the Repayment Date notify the Oz Yellow in writing of its intention to convert the whole or part of any outstanding monies into fully paid ordinary shares in EPM (**Conversion Notice**).
 - o If Eclipse provides a Conversion Notice under this clause, the relevant quantum of outstanding monies will convert at a conversion price equal to the higher of A\$0.008 and a 20% discount to the volume-weighted average price of EPM Shares on the ASX for the 60 trading days on which trades for EPM Shares were recorded immediately prior to the date the EPM provides the Conversion Notice.
 - o If the Automatic Repayment Event does not occur prior to the Repayment Date and outstanding monies remain as at the Repayment Date, such outstanding monies will automatically convert into EPM Shares at a conversion price equal to the higher of A\$0.008 and a 20% discount to the volume-weighted average price of EPM Shares on the ASX for the 60 trading days on which trades for EPM Shares were recorded immediately before the Repayment Date.

Authorised for release by the Board.

Carl Popal
Executive Chairman

Rodney Dale
Non-Executive Director



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