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30 January 2006

The Manager - Companies
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Quarterly Report for the Period Ended 31 December 2006

Eagle Eye Metals Ltd ('Eagle Eye') listed on the ASX on the 6th of December 2006. The company has already commenced an aggressive exploration programme, that will focus on its Waite Kauri Nickel project, but also involve a number of other highly prospective project areas. The results of the exploration undertaken to date are detailed below.

1. Waite Kauri Nickel Project, North Eastern Goldfields, Western Australia (P 37, 6634-6636, 6664-6665, 6757 & 6791-6792).

Eagle Eye's Waite Kauri Nickel Project is located 670 kilometres to the north-east of Perth, and 43 kilometres to the north-east of Leonora in the North Eastern Goldfields of Western Australia.

The Waite Kauri project area covers the southern strike extensions of the stratigraphy hosting GME Resources Ltd's Waite Kauri nickel oxide deposit (1.30 Mt @ 1.33% Nickel & 0.14% Cobalt), see Figure 1.

In December, Eagle Eye completed an extensive soil sampling programme, consisting of 781 samples, which covered the known ultramafic host stratigraphy in the project area.

The sampling programme was undertaken in two phases:

- The first phase tested the southern area of P 37/6665, along strike from the historical Newmex sampling, at 100 x 25 metre spacing.

- The second phase tested the ultramafic host unit through P 37/6634, 6664 & 6757. This sampling was undertaken at 200 x 50 metre spacing.

Sampling has defined four key prospect areas for drill testing at Waite Kauri (see Figure 1):

A. Wanaka

The Wanaka prospect is directly along strike from GME Resources Ltd's Waite Kauri Nickel Oxide deposit (1.30 Mt @ 1.33% Nickel & 0.14% Cobalt).

The surface anomaly is approximately 1700 metres long, up to 500 metres wide and averages over 250 ppm nickel, with peak values of over 2850 ppm (0.285%) nickel.

B. Taranaki

The Taranaki prospect occurs on a flexure of the host ultramafic unit. The surface anomaly is approximately 700 metres long, up to 200 metres wide and averages over 250 ppm nickel, with peak values of over 960 ppm (0.096%) nickel.

C. Ruapehu

The Ruapehu prospect covers a broad area, over the host ultramafic unit. The surface anomaly is approximately 2100 metres long, up to 400 metres wide and averages over 250 ppm nickel, with peak values of over 2800ppm (0.28%) nickel.

D. Kaikoura

The Kaikoura prospect covers a structural splay of the host ultramafic unit. The surface anomaly is approximately 400 metres long, up to 100 metres wide and averages over 250 ppm nickel, with peak values of over 540ppm (0.054%) nickel.

The surface sampling conducted by Eagle Eye, at Waite Kauri, has proven highly successful in outlining significant and extensive zones of nickel mineralisation for drill testing.

The company is currently planning a program of drilling to test the delineated anomalies and to begin 'resource definition' across these prospect areas. This drilling is scheduled to commence in the first quarter of 2007.

2. Other Projects

Eagle Eye is currently developing its exploration programme in regard to a number of its other project areas, which include:

A. Randwick Gold Project, North Eastern Goldfields, Western Australia.

The Randwick project area is adjacent to the Waite Kauri nickel project. A review of the existing dataset is currently being undertaken, and a programme of RAB drilling

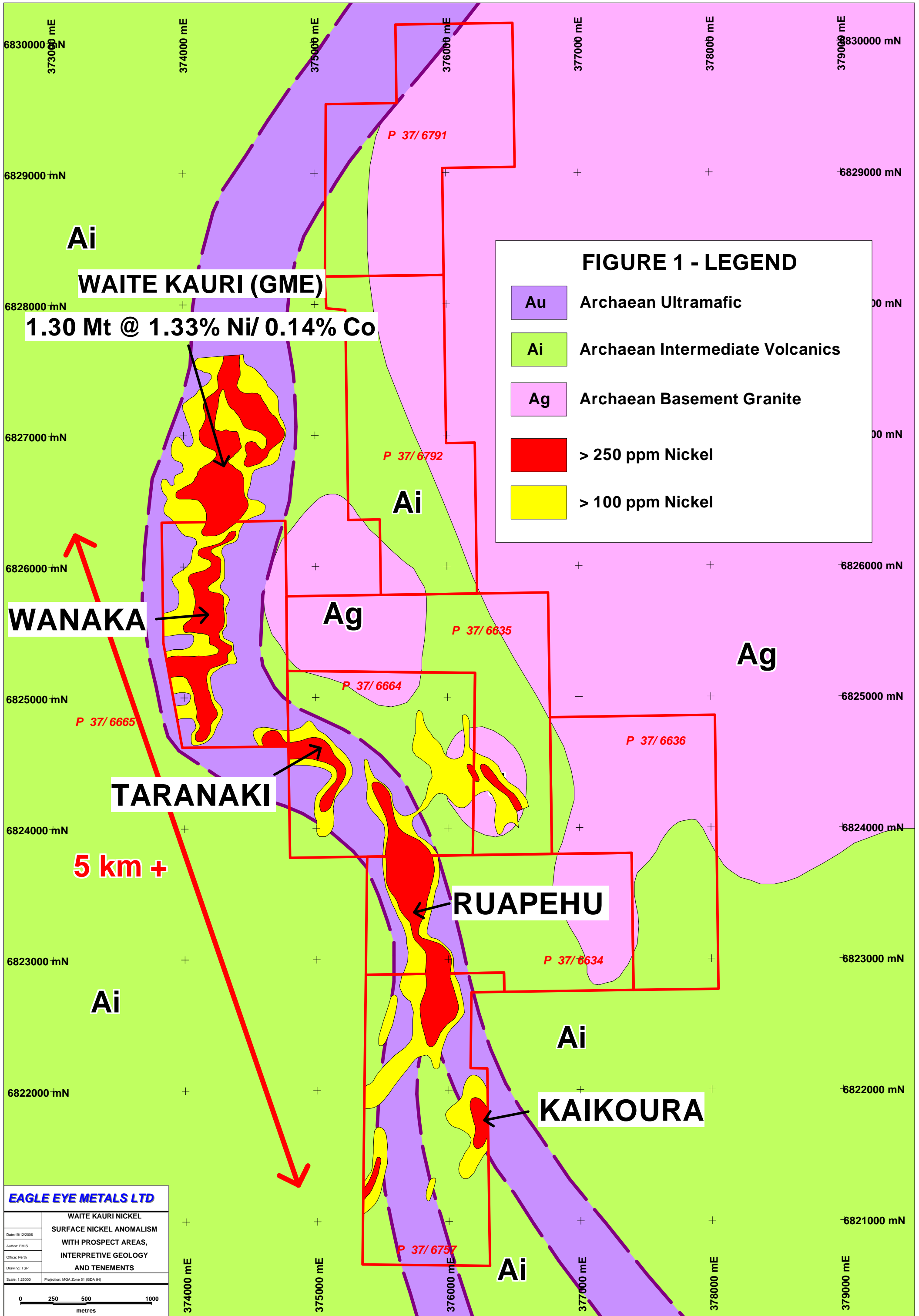


FIGURE 1 - LEGEND

- Au Archaean Ultramafic
- Ai Archaean Intermediate Volcanics
- Ag Archaean Basement Granite
- > 250 ppm Nickel
- > 100 ppm Nickel

WAITE KAURI (GME)
1.30 Mt @ 1.33% Ni/ 0.14% Co

WANAKA

TARANAKI

RUAPEHU

KAIKOURA

5 km +

EAGLE EYE METALS LTD

WAITE KAURI NICKEL
 SURFACE NICKEL ANOMALISM
 WITH PROSPECT AREAS,
 INTERPRETIVE GEOLOGY
 AND TENEMENTS

Date: 19/12/2006
 Author: EMMS
 Office: Perth
 Drawing: TSP
 Scale: 1:25000 Projection: MGA Zone 51 (GDA 94)

0 250 500 1000
 metres

planned to test the northern extensions of the Anglo-Saxon mineralised corridor through the project area.

B. Apollo Hill Gold Project, North Eastern Goldfields, Western Australia.

The Apollo Hill Gold project lies within the larger area of Apex Minerals NL's Apollo Hill project, approximately 46 kilometres to the southeast of Leonora. The tenement is directly along strike from the main Apollo Hill discovery.

The project area has historically been the subject of prospecting activities, with little modern, systematic exploration. A program of soil sampling is planned for the first quarter of 2007.

C. Leonora East Gold & Base Metal Project, North Eastern Goldfields, Western Australia.

The Leonora East project is located 18 kilometres to the northeast of Leonora. The project covers over 5000 hectares of the prospective Pig Well Graben and is located approximately 50 kilometres along strike from the Jaguar Cu-Zn-Ag deposit.

A review of the previous exploration shows the area is prospective for Volcanogenic Massive Sulphide (VMS) base metal deposits, similar to those found at Jaguar.

A programme of surface electro-magnetics (EM) is currently being planned to test for this style of mineralisation.

D. Erlistoun Gold Project, North Eastern Goldfields, Western Australia.

The Erlistoun Gold project lies adjacent to the historical 'Erlistoun Line', approximately 67 kilometres to the north of Laverton. The project has been explored by a number of parties in recent times, most recently Sons of Gwalia Ltd (prior to their move into administration).

Sons of Gwalia generated a number of prospect areas, including Budgerigar, where previous drill results have included:

ACC 580 42–46 metres 4m @ 14.02 gpt Au

A database of all historical data is currently being compiled to facilitate the exploration programme within this project area.

3. Financials

Please see attached Appendix 5B.

Yours faithfully
Eagle Eye Metals Ltd

A handwritten signature in black ink, appearing to read 'Wayne Ryder', enclosed within a hand-drawn oval shape.

Wayne Ryder
Executive Chairman

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Timothy Putt of Exploration and Mining Information Systems, who is a member of The Australasian Institute of Geoscientists. Mr. Putt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Timothy Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information please contact:

Wayne Ryder, Executive Chairman

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EAGLE EYE METALS LIMITED

ABN

11 113 931 105

Quarter ended ("current quarter")

31 DECEMBER 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(46)	(60)
(b) development	-	-
(c) production	-	-
(d) administration	(134)	(280)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	39	40
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(141)	(300)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(141)	(300)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(141)	(300)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5,000	5,259
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(100)	(100)
1.18	Dividends paid	-	-
1.19	Other – share issue expenses	(247)	(296)
	Net financing cash flows	4,653	4,863
	Net increase (decrease) in cash held	4,512	4,563
1.20	Cash at beginning of quarter/year to date	83	32
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,595	4,595

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	10
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The Company completed a Prospectus Equity Issue during the Quarter under review, raising \$5,000,000 by the issue of 25,000,000 Ordinary Fully Paid Shares at 20 cents each, with 1 free attaching Option per Share.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000
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3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	480
4.2	Development	-
Total		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000	
5.1	Cash on hand and at bank	4,595	83
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		4,595	83

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-		
6.2	Interests in mining tenements acquired or increased	-		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

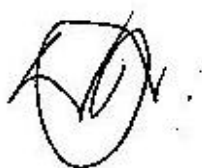
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	-			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-			
7.3 +Ordinary securities	44,000	30,455		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25,000	25,000		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	37,575	30,455	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 30 June 2010
7.8 Issued during quarter	25,000	25,000	20 cents	30 June 2010
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 30 January 2007
(Director/Company secretary)



Print name: Wayne Ryder

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.