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31 January 2008

The Company Announcements Office
Australian Securities Exchange Limited

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2007

APPOINTMENT OF EXPLORATION MANAGER

Eagle Eye Metals Limited (“Eagle Eye”) is pleased to announce the appointment of Geologist Graham de la Mare as full time Exploration Manager.

His appointment will assist us to substantially intensify exploration work on the Company’s Waite Kauri nickel oxide project, currently well in progress, as well as our 7 other gold and base metals projects in the Leonora-Laverton region of the north-eastern Goldfields of Western Australia. He will work in cooperation with Eagle Eye’s geological consultants, Kalgoorlie based BM Geological Services, and our Leonora based prospector/vendors, Neale “Johnno” Johnson and others, to progressively explore all of the Company’s projects.

CONSULTING GEOLOGIST’S REPORT BY BM GEOLOGICAL SERVICES

WAITE KAURI NICKEL PROJECT, NE GOLDFIELDS, WESTERN AUSTRALIA (P 37, 6634-6636, 6664-6665, 6757 & 6791-6792).

The assay results of the 53 recent holes Eagle Eye drilled as part of its exploration programme at the Waite Kauri nickel oxide project near Leonora in Western Australia were received during the quarter. The results were extremely encouraging and a 2,600 metre follow up reverse circulation drill programme has been designed to extend the known extents of the mineralisation. In addition to this, the future programme will focus on extending the high grade portion of the Wanaka zone and 5 holes will be drilled to twin existing holes to demonstrate the veracity of earlier results. Once this programme has been completed, a mineral resource at Eagle Eye’s Waite Kauri deposit will be generated.

The completion of the drilling programme at Waite Kauri by Eagle Eye has taken the total number of holes drilled to 183. The purpose of the recent 53 hole programme was twofold; to infill the drill lines on 50 metre centres across strike and to extend the known margins of the Ni oxide mineralisation. The programme was successful and ore grade mineralisation was encountered in 14 holes. Mineralised intervals up to 37 metres were achieved in this programme, representing significant depths of continuous mineralisation. All drill holes drilled in the programme were vertical, so mineralised interval equates to the true depth of mineralisation. Due to the nature of the air core drilling, a substantial number of holes were unable to be drilled to any significant depth, and multiple holes ended in ore grade mineralisation. Next drilling (see diagram attached) will engage a reverse circulation drill rig, capable of penetrating siliceous bands which impeded the recent air core drilling programme.

A. Wanaka

The Wanaka prospect is located immediately along strike to the south of the GME Resources Ltd's Waite Kauri nickel oxide deposit (1.30 Mt @ 1.33% Ni and 0.14% Co).

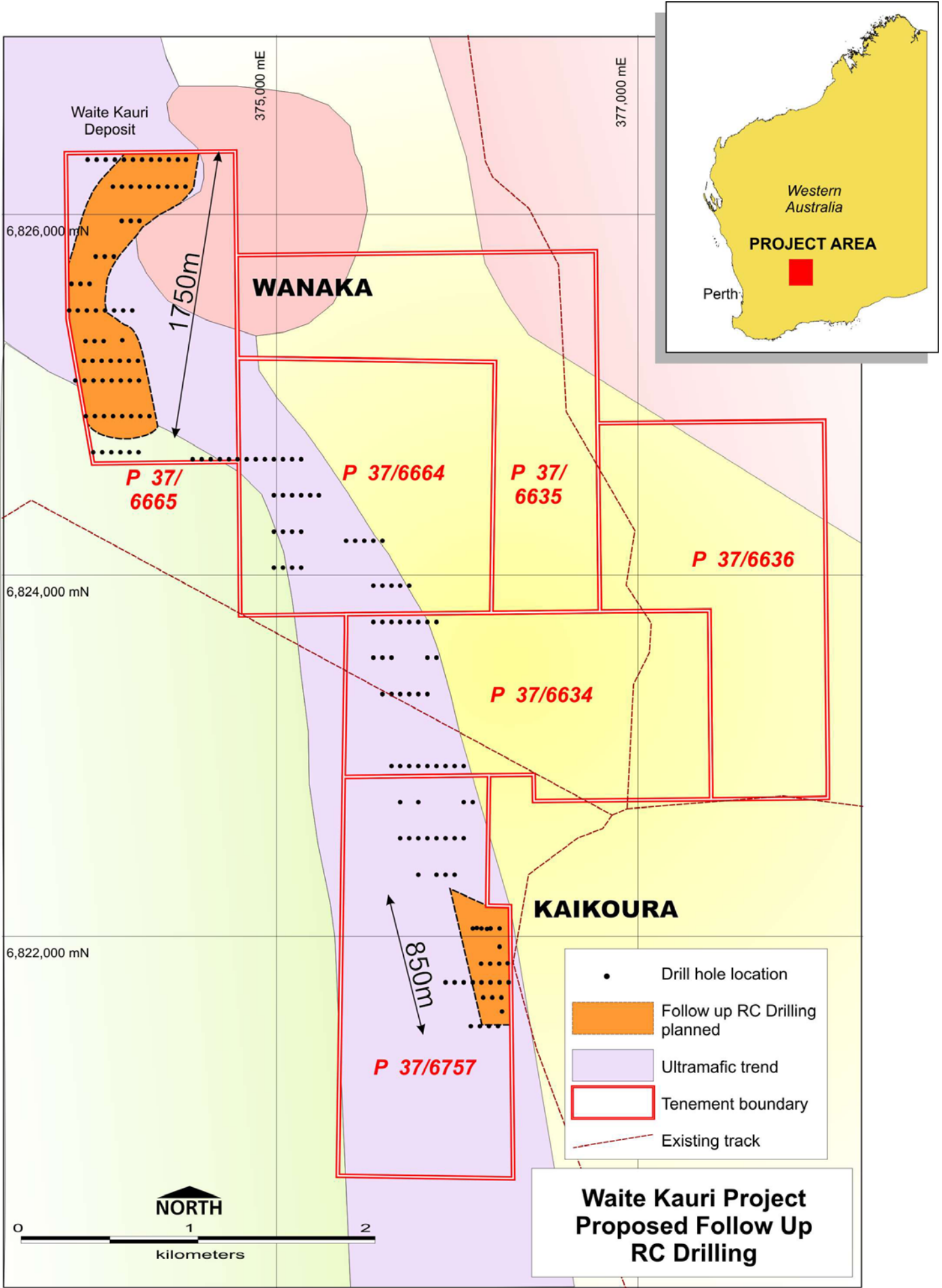
The holes 007WKAC 142 to 183 were drilled at the Wanaka prospect during the previous quarter for a total of 486 metres. Significant results achieved in this programme include:

007WKAC150	3 metres at 0.57% Ni, 0.020% Co and 4.34% Mg from 3 metres
007WKAC152	4 metres at 0.57% Ni, 0.040% Co and 4.75% Mg from 9 metres
007WKAC153	15 metres at 0.59% Ni, 0.054% Co and 5.11% Mg from 13 metres
007WKAC156	17 metres at 0.75% Ni, 0.032% Co and 7.68% Mg from 1 metre
007WKAC157	23 metres at 0.67% Ni, 0.019% Co and 6.82% Mg from 4 metre
007WKAC158	2 metres at 0.56% Ni, 0.041% Co and 2.55% Mg from 12 metres
007WKAC159	11 metres at 0.83% Ni, 0.042% Co and 2.89% Mg from 6 metres
Including	2 metres at 1.47% Ni, 0.089% Co and 3.77% Mg from 6 metres
007WKAC160	4 metres at 0.64% Ni, 0.088% Co and 2.74% Mg from 12 metres
007WKAC168	15 metres at 0.61% Ni, 0.033% Co and 5.71% Mg from 5 metres
007WKAC175	15 metres at 0.59% Ni, 0.025% Co and 5.95% Mg from 3 metres
007WKAC180	6 metres at 0.76% Ni, 0.021% Co and 2.90% Mg from 5 metres
007WKAC182	11 metres at 0.60% Ni, 0.027% Co and 9.28% Mg from 2 metres

B. Kaikoura

Drilling at the Kaikoura prospect targeted a surface geochemical anomaly with the dimensions of 400 metres strike and widths up to 100 metres. A total of 11 vertical holes were drilled (007WKAC 131 to 141) for 385 metres. Assay results have confirmed the initial geological interpretation with significant intersections of mineralisation up to 37 metres vertical depth being intersected at the prospect. An open body of mineralisation has been delineated at Kaikoura with the dimensions of 150 metres strike, 75 metres wide with an average vertical depth of 25 metres. This body is open to both the north and south.

007WKAC135	37 metres at 0.67% Ni, 0.054% Co and 4.34% Mg from 8 metres
007WKAC138	13 metres at 0.73% Ni, 0.060% Co and 4.47% Mg from 19 metres
007WKAC139	28 metres at 0.68% Ni, 0.082% Co and 2.89% Mg from 17 metres



LEONORA EAST GOLD AND BASE METALS PROJECT, NE GOLDFIELDS, WESTERN AUSTRALIA
(M 37/635, 718, 1142 & P 37/6363. 6366-6369, 6397-6400, 6421-6422, 6451, 6455-6456, 6506-6515, 6674).

Eagle Eye's Leonora East project is located 18 kilometres to the north east of Leonora and encompasses an area in excess of 5,000 hectares. The project is highly prospective for Volcanogenic Massive Sulphide style deposits of Zinc, Copper and Silver analogous to the Jabiru Metals owned Jaguar deposit. Multiple targets have been identified and a ground electro-magnetics (EM) programme has been designed and will be implemented soon.

OTHER PRIORITY TARGETS

Graham de la Mare is now working up programmes for the exploration of the Company's highly prospective gold projects at Mertondale and Erlistoun, and we will advise details of the work to be undertaken and implementation timetables as soon as these are settled upon.

FINANCIAL REPORT

Eagle Eye continues in an excellent financial position, with over \$3.5million cash in hand, all exploration projects owned outright, and very few creditors at 31 December 2007, see attached Appendix 5B

Yours sincerely

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 Darryl Mapleson of BM Geological Services, who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Mapleson 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". Darryl Mapleson 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

Ph (08) 9385 4450
M 0418 928 180

Or consult Eagle Eye's web site as below:

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 2007

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(119)	(237)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(97)	(236)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	77	135
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	(139)	(338)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	(1)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	(8)	(24)
1.11	Loans repaid by other entities	15	30
1.12	Other	-	-
	Net investing cash flows	7	5
1.13	Total operating and investing cash flows (carried forward)	(132)	(333)

1.13	Total operating and investing cash flows (brought forward)	(132)	(333)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue expenses/refunds	-	(2)
	Net financing cash flows	-	(2)
	Net increase (decrease) in cash held	(132)	(335)
1.20	Cash at beginning of quarter/year to date	3,662	3,865
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,530	3,530

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	78
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.2 includes aggregates amounts paid to directors including directors fees, consulting fees and superannuation payments

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

NIL

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

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
Total	150

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	122	53
5.2 Deposits at call	3,400	3,600
5.3 Bank overdraft	-	-
5.4 Other – Security Deposits/Debit Card	8	9
Total: cash at end of quarter (item 1.22)	3,530	3,662

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	NIL		
6.2	Interests in mining tenements acquired or increased	NIL		

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	44,010,000	34,565,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	37,565,000	33,120,000	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 30 June 2010
7.8 Issued during quarter				
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: 31 January 2008

(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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