



**EAGLE EYE**  
Metals Limited

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ABN 11 113 931 105

31 July 2007

The Company Announcements Office  
Australian Securities Exchange Limited

## Quarterly Report for the Period Ended 30 June 2007

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### SUMMARY

- Eagle Eye Metals Limited continued with its exploration program during the quarter, with particular emphasis on drilling at the Waite Kauri nickel oxide project near Leonora in Western Australia. The anomalous area being explored is quite substantial, covering some 5km running south from the border with GME Resources Limited's previously announced strike. This program of shallow and widely spaced air core drilling is designed to identify targets for follow up RC drilling, more narrowly spaced and to greater depth, with the aim of establishing JORC compliant resources of nickel oxide. Initially the Company has drilled some 130 shallow holes and is awaiting the assay results on these so as to enable preparation and implementation of follow up drilling. **Importantly**, it should be noted that Eagle Eye's area considered most prospective, the approx 1km anomalous area running south from the border with GME, has not yet been drilled, pending approvals following recently completed Aboriginal Heritage Surveys. These approvals are expected very soon now.*
- The Company's other significant exploration projects for gold and base metals, including the highly prospective Apollo Hill gold project, are being assessed for follow up exploration programs, as set out by our Consulting Geologist below.*

### CONSULTING GEOLOGIST'S REPORT

Eagle Eye has commenced its exploration programme, with the focus being on its Waite Kauri nickel oxide project. The results of the exploration undertaken to date are detailed below:

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

Eagle Eye's 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. Eagle Eye has recently completed an extensive soil sampling programme that has defined four key prospect areas for drill testing at Waite Kauri. These are the Wanaka, Taranaki, Ruapheu & Kaikoura areas (see Figure 1).

A comprehensive programme of more than 130 vertical aircore drill holes has been completed, on 200 x 50 metres centres, in order to test the four key prospect areas. Historically, the Ruapehu & Kaikoura areas have been partially tested with RC drilling. Drilling on 800 x 50 metre centres over the Ruapehu and Kaikoura prospects encountered ore grade mineralisation in a number of drill holes, the details of which are listed at C. and D. below.

#### **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. Drilling tested the southern half of the anomaly on 200 x 50 metre centres.

Significant results to date from Wanaka include:

**07WKAC005    4 metres @ 0.54% Nickel & 0.07% Cobalt    from 5 metres.**

**07WKAC 006   10 metres @ 0.70% Nickel & 0.05% Cobalt    from 2 metres**  
**Including       2 metres @ 0.96% Nickel & 0.08% Cobalt    from 6 metres.**

**07WKAC007    2 metres @ 0.58% Nickel & 0.02% Cobalt    from 15 metres.**

These anomalous results show a continuous zone of lateritic nickel mineralisation on the eastern side of the Wanaka anomaly that remains untested and open to both the north and the east (see Figure 2).

#### **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.

Drilling tested the anomaly on 200 x 50 metre centres, however few assays have been returned from the labs and cover only the periphery of the surface nickel anomaly. Results include (see Figure 2).

**07WKAC034    6 metres @ 0.58% Nickel & 0.02% Cobalt    from 8 metres.**

#### **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.

Wide spaced drilling was undertaken by both Reefton Mining and Anaconda Nickel on the Ruapehu prospect (see Figure 1.). Results from this RC drilling show a number of intersections of ore grade nickel mineralisation, as well as significant cobalt and magnesium mineralisation. Better results include:

**99WKRC001    6 metres @ 0.59% Ni/ 0.115% Co/ 6.54% Mg    from 10 metres.**

**99WKRC002    4 metres @ 0.46% Ni/ 0.099% Co/ 10.1% Mg    from 9 metres.**

**99WKRC011    6 metres @ 0.82% Ni/ 0.072% Co/ 5.91% Mg    from 17 metres**  
**Including       2 metres @ 0.98% Ni/ 0.086% Co/ 6.73% Mg    from 19 metres.**

**99WKRC012    9 metres @ 0.81% Ni/ 0.084% Co/ 5.95% Mg    from 1 metre**  
**Including       4 metres @ 0.96% Ni/ 0.121% Co/ 4.21% Mg    from 3 metres.**

The Ruapehu prospect has been tested on 200 x 50 metre centres during the recent drilling programme, with results pending.

## D. KAIKOURA

The Kaikoura prospect covers a splay of the main 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.

Wide spaced drilling by Anaconda Nickel encountered ore grade mineralisation in a number of drill holes including:

**99WKRC022** 12 metres @ 0.77% Ni/ 0.060% Co/ 5.41% Mg from 4 metres  
Including 2 metres @ 1.03% Ni/ 0.012% Co/ 3.06% Mg from 5 metres.

**99WKRC023** 37 metres @ 0.83% Ni/ 0.055% Co/ 5.11% Mg from 2 metres  
Including 7 metres @ 1.01% Ni/ 0.058% Co/ 4.97% Mg from 5 metres.

Both the northern and southern strike extensions to this mineralisation have been tested in the recent drilling programme on at least 200 x 50 metre centres, with results pending.

A large number assays from the drilling programme remain outstanding for Waite Kauri, including most of the drilling covering the main areas of surface anomalism at Taranaki, Ruapehu and Kaikoura.

## 2. APOLLO HILL GOLD PROJECT, NE GOLDFIELDS, WESTERN AUSTRALIA.

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

A programme of 64 soil samples has been undertaken on 100 x 25 metres centres across the sub to outcropping stratigraphy within the tenement area.

Three anomalies have been defined for later drill testing (see Figure 3):

### A. APOLLO

The main 'Apollo' anomaly is directly along strike from the Main Zone at AXM's Apollo Hill project. The anomaly covers a broad area, approximately 200 metres long and 75 metres wide and exhibits values of up to 105 ppb Gold.

### B. APOLLO NORTH

The Apollo North anomaly is located in the northern corner of the tenement. The anomaly covers a broad area, approximately 200 metres long and 150 metres wide. The anomaly remains open to the north, where it is covered by recent lake sediments, and exhibits values of up to 144 ppb Gold.

### C. APOLLO SOUTH

The Apollo South anomaly is located in southern tenement area. The anomaly covers approximately 150 metres of strike and is 100 metres wide. The anomaly remains open to the east, where it is covered by recent lake sediments, and exhibits values in excess of 275 ppb Gold.

These anomalies occur along strike from the prospect areas defined through AXM's drilling along strike to the north at Apollo Hill. The anomalies may represent the surface expression of the lodes and require drill testing.

Eagle Eye looks forward to updating Shareholders as planning and implementation of the drilling programme at Apollo Hill progresses.

### 3. OTHER PROJECTS

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

#### A. MERTONDALE GOLD PROJECT, NE GOLDFIELDS, WESTERN AUSTRALIA.

The Mertondale project area is located to the west to the Waite Kauri nickel project. A programme of RAB drilling is currently being planned to test an extensive geochemical anomaly outlined by previous explorers.

#### B. LEONORA EAST GOLD & BASE METAL PROJECT, NE 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) style deposits, similar to Jaguar. A programme of electro-magnetics (EM) is being planned to test for this style of mineralisation.

#### C. ERLISTOUN GOLD PROJECT, NE 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 prospects 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.

### FINANCIALS

Please see attached Appendix 5B.

Yours sincerely  
Eagle Eye Metals Ltd



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:

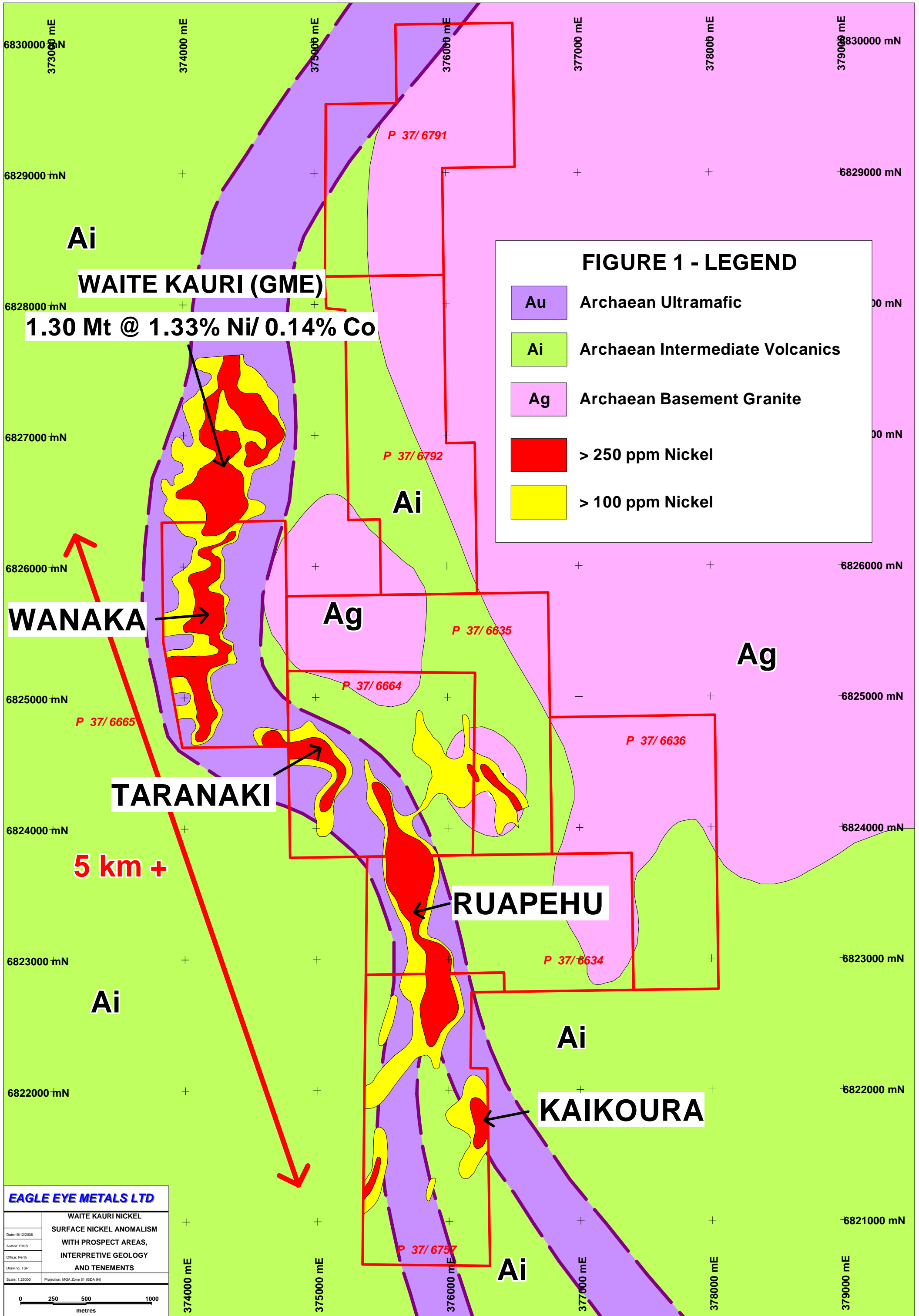
Wayne Ryder, Executive Chairman

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M 0418 928 180

Or consult our website:

[www.eagleeyemetals.com](http://www.eagleeyemetals.com)



**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**

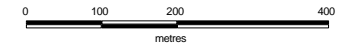
**5 km +**

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

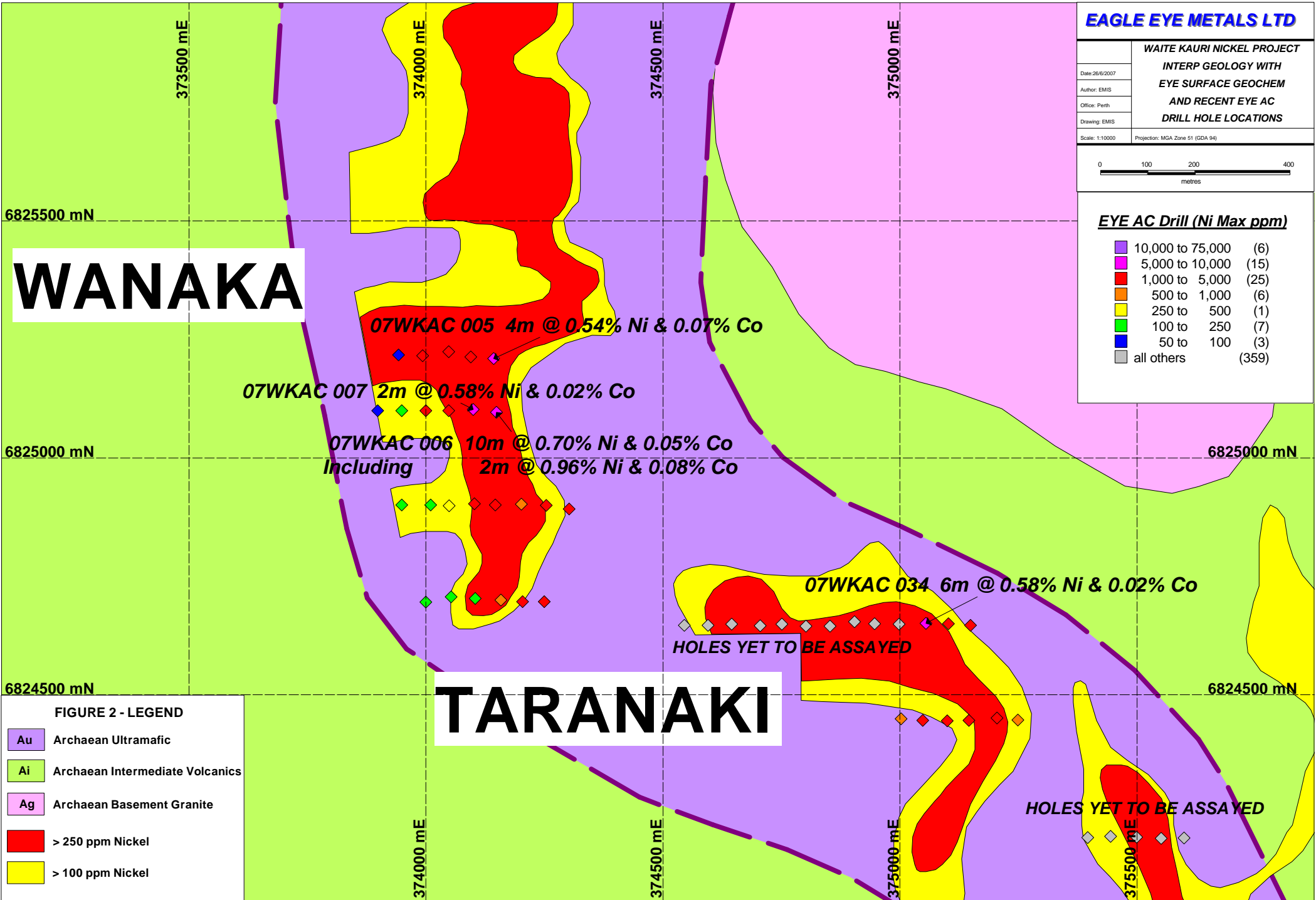
Date: 19/12/2006  
 Author: EMMS  
 Office: Perth  
 Drawing: TSP  
 Scale: 1:25000    Projection: MGA Zone 51 (GDA 94)

0    250    500    1000  
 metres



**EYE AC Drill (Ni Max ppm)**

10,000 to 75,000	(6)
5,000 to 10,000	(15)
1,000 to 5,000	(25)
500 to 1,000	(6)
250 to 500	(1)
100 to 250	(7)
50 to 100	(3)
all others	(359)

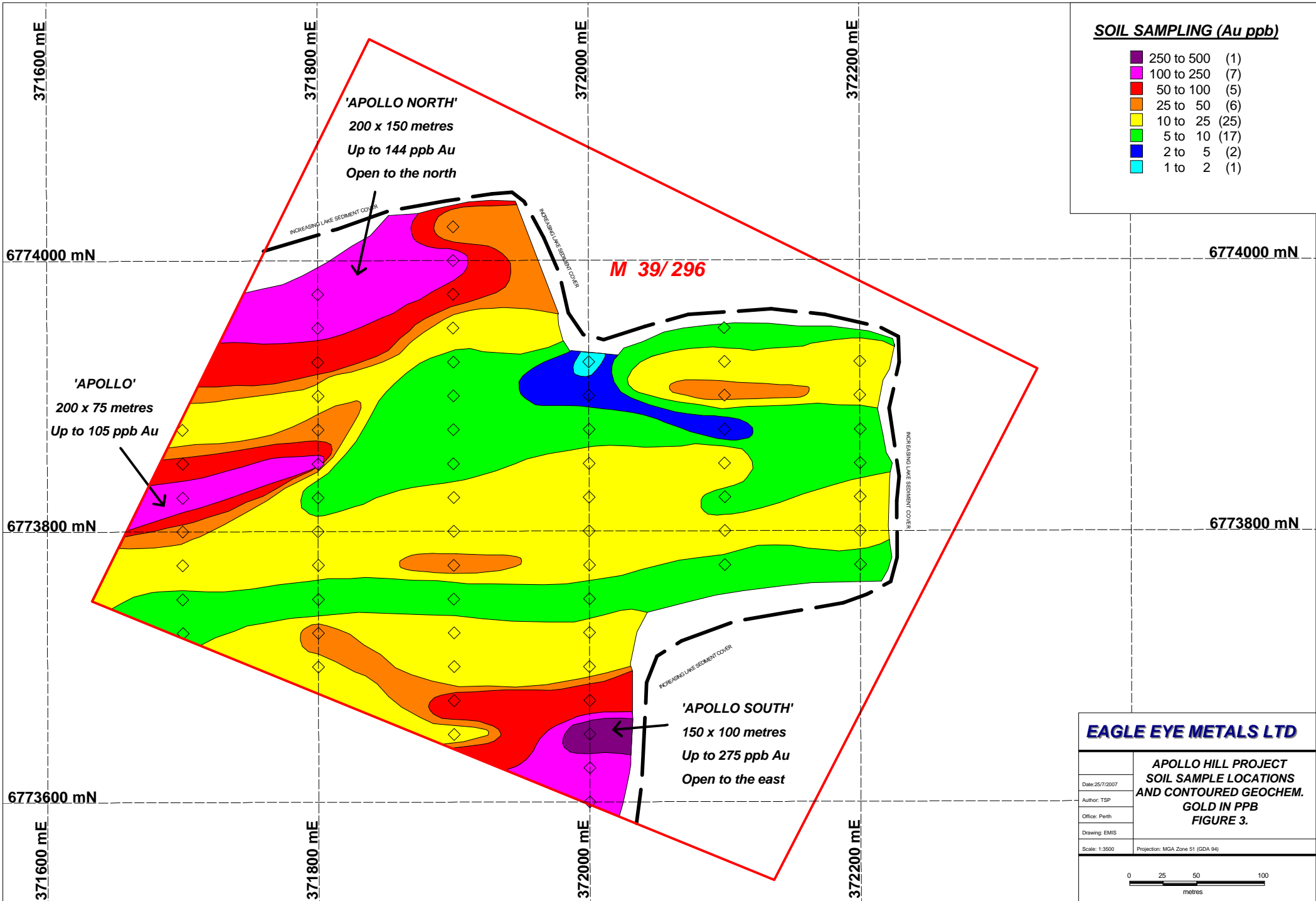


**WANAKA**

**TARANAKI**

**FIGURE 2 - LEGEND**

Au	Archaean Ultramafic
Ai	Archaean Intermediate Volcanics
Ag	Archaean Basement Granite
[Red]	> 250 ppm Nickel
[Yellow]	> 100 ppm Nickel



**SOIL SAMPLING (Au ppb)**

- 250 to 500 (1)
- 100 to 250 (7)
- 50 to 100 (5)
- 25 to 50 (6)
- 10 to 25 (25)
- 5 to 10 (17)
- 2 to 5 (2)
- 1 to 2 (1)

'APOLLO NORTH'  
200 x 150 metres  
Up to 144 ppb Au  
Open to the north

'APOLLO'  
200 x 75 metres  
Up to 105 ppb Au

'APOLLO SOUTH'  
150 x 100 metres  
Up to 275 ppb Au  
Open to the east

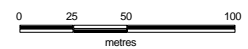
M 39/296

**EAGLE EYE METALS LTD**

APOLLO HILL PROJECT  
SOIL SAMPLE LOCATIONS  
AND CONTOURED GEOCHEM.  
GOLD IN PPB  
FIGURE 3.

Date: 25/7/2007  
Author: TSP  
Office: Perth  
Drawing: EMIS

Scale: 1:3500  
Projection: MGA Zone 51 (GDA 94)



# 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")

30 JUNE 2007

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A '000	Year to date (9 months) \$A '000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(97)	(237)
(b) development	-	-
(c) production	-	-
(d) administration	(212)	(579)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	62	151
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(247)</b>	<b>(665)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	1	(7)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	(15)	(33)
1.11 Loans repaid by other entities	18	18
1.12 Other – Investment in Listed Company	(200)	(200)
<b>Net investing cash flows</b>	<b>(196)</b>	<b>(222)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(443)</b>	<b>(887)</b>

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(443)	(887)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	5,261
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(67)	(169)
1.18	Dividends paid	-	-
1.19	Other – share issue expenses/refunds	1	(372)
	<b>Net financing cash flows</b>	(66)	4,720
	<b>Net increase (decrease) in cash held</b>	(509)	3,833
1.20	Cash at beginning of quarter/year to date	4,374	32
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	3,865	3,865

**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	212
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

--

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

+ See chapter 19 for defined terms.

3.1	Loan facilities		
3.2	Credit standby arrangements		

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
<b>Total</b>		<b>200</b>

**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	56	368
5.2 Deposits at call	3,800	4,000
5.3 Bank overdraft	-	-
5.4 Other – Security Deposits/Debit Card	9	6
<b>Total: cash at end of quarter</b> (item 1.22)	<b>3,865</b>	<b>4,374</b>

**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.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	44,010,000	33,287,500		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs		1,982,500		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	37,565,000	31,842,500	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 30 June 2010
7.8 Issued during quarter		557,500	20 cents	30 June 2010
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: .....

Date: 31/07/2007

(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.