



EAGLE EYE
Metals Limited

45 Ventnor Avenue, West Perth WA 6005
PO Box 829, West Perth WA 6872
(08) 9389 4450
Fax: (08) 9389 4400
0418 928 180
wayne@eagleeyemetals.com
ABN 11 113 931 105

31 July 2009

The Company Announcements Office
Australian Securities Exchange Limited

QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2009

Highlights:

Drilling about to commence at the Company's highly prospective Erlistoun gold project north of Laverton.

Negotiations continue over advanced gold projects in Australia and overseas, with a view to expanding Eagle Eye's interests in the gold mining industry.

During the quarter the Company prepared drilling programs over its Erlistoun and Apollo Hill gold projects located in the Leonora/Laverton region of the North Eastern Goldfields of Western Australia, a world renowned gold producing area.

These projects were included in the Company's initial Prospectus and well warrant comprehensive exploration, both showing the potential to prove up as a profitable mining operation.

The Erlistoun drilling program will commence in August 2009.

During the quarter Eagle Eye conducted negotiations over gold projects with established ore resources and strong potential to be developed into profitable mining operations within a relatively short time frame. These negotiations are ongoing, but with no firm arrangements yet agreed.

Shareholders will be advised as results from the Company's drilling and exploration program come to hand and negotiations over other gold projects develop.

For personal use only

CONSULTING GEOLOGIST'S REPORT BY ROCWORTH CONSULTING

Leonora/Laverton gold projects

Eagle Eye completed a comprehensive field reconnaissance program of its gold areas during the quarter, including ground-truthing a number of identified geochemical and geophysical anomalies. The positive results of the reconnaissance program warranted Eagle Eye to prepare a series of follow up drilling programs.

The drilling campaign will commence on August 18 with an air core drill program over Eagle Eye's prospective Erlistoun project, 67km north of Laverton. The Company has retained Boulder based Challenge Drilling for this program, with samples being sent to Aurum Laboratories in Perth for analysis. The first phase of drilling totals around 2500 metres and targets two discrete zones of gold anomalism.

Eagle Eye expects to complete this drilling program by late September 2009.

Waite Kauri Leonora nickel/cobalt Joint Venture

Work on the Waite Kauri JV (Poseidon Nickel earning 80% from Eagle Eye) 43km north east of Leonora comprised applying for a Mining Lease (MLA37/1289) over 6 of the Prospecting Leases which cover the nickel laterite mineralisation. The PLs (P37/6634-6636, P37/6664-6665 & P37/6757) are due to expire in July and have now been covered by the MLA.

A detailed Mineralisation Report and Supporting Statement was prepared and submitted to the Department of Mines and Petroleum in support of the mining lease approval. This Report included details of the JORC compliant Inferred Resource of **2.53Mt @ 0.7% Ni and 0.05% Co**, as well as details of the bulk sampling and metallurgical test work completed by Poseidon on the Waite Kauri ore.

Rocworth Consulting
Benjamin Bell
BSc, MMET, MBA

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Benjamin Bell of Rocworth Consulting, who is a member of The Australian Institute of Geoscientist. Mr Bell 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, Mineral Resources and Ore Reserves". He consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Company's Appendix 5B Financial Statements for the quarter follow.

Shareholders and investors queries are welcome at the contact details below.

Yours sincerely



Executive Chairman

For further information please contact:

Wayne Ryder, Executive Chairman

Ph (08) 9389 4450

M 0418 928 180

Or consult Eagle Eye's web site

www.eagleymetals.com

ASX SHARE CODE: EYE
ASX OPTIONS CODE: EYEO

For personal use only

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 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date
	\$A'000	(12 months)
		\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(165)	(575)
(b) development	-	-
(c) production	-	-
(d) administration	(121)	(437)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	26	127
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	(260)	(885)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(5)
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	-	-
Net investing cash flows	-	(5)
1.13 Total operating and investing cash flows (carried forward)	(260)	(890)

For personal use only

1.13	Total operating and investing cash flows (brought forward)	(260)	(890)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	44
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	-	-
Net financing cash flows		-	44
Net increase (decrease) in cash held		(260)	(846)
1.20	Cash at beginning of quarter/year to date	2,453	3,039
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,193	2,193

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	75
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	190
4.2 Development	-
Total	190

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	13	23
5.2 Deposits at call	2,175	2,425
5.3 Bank overdraft	-	-
5.4 Other – Security Deposits/Debit Card	5	5
Total: cash at end of quarter (item 1.22)	2,193	2,453

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	44,010,000	
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>	41,565,000	<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>			

For personal use only

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 July 2009

(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.

== == == == ==

For personal use only