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30 April 2007

The Company Announcements Office  
Australian Stock Exchange Limited

## Quarterly Report for the Period Ended 31 March 2007

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Eagle Eye Metals Ltd ('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 prospects include Wanaka, Taranaki, Ruapehu & Kaikoura for drill testing at Waite Kauri (see Figure 1).

A programme of 137 aircore drill holes is being undertaken on 200 x 50 metres centres in order to test these prospect areas. It should be noted that the northern two anomalies, Wanaka and Taranaki, remain untested by drilling, however both Ruapehu and Kaikoura have previously generated significant drill intercepts.

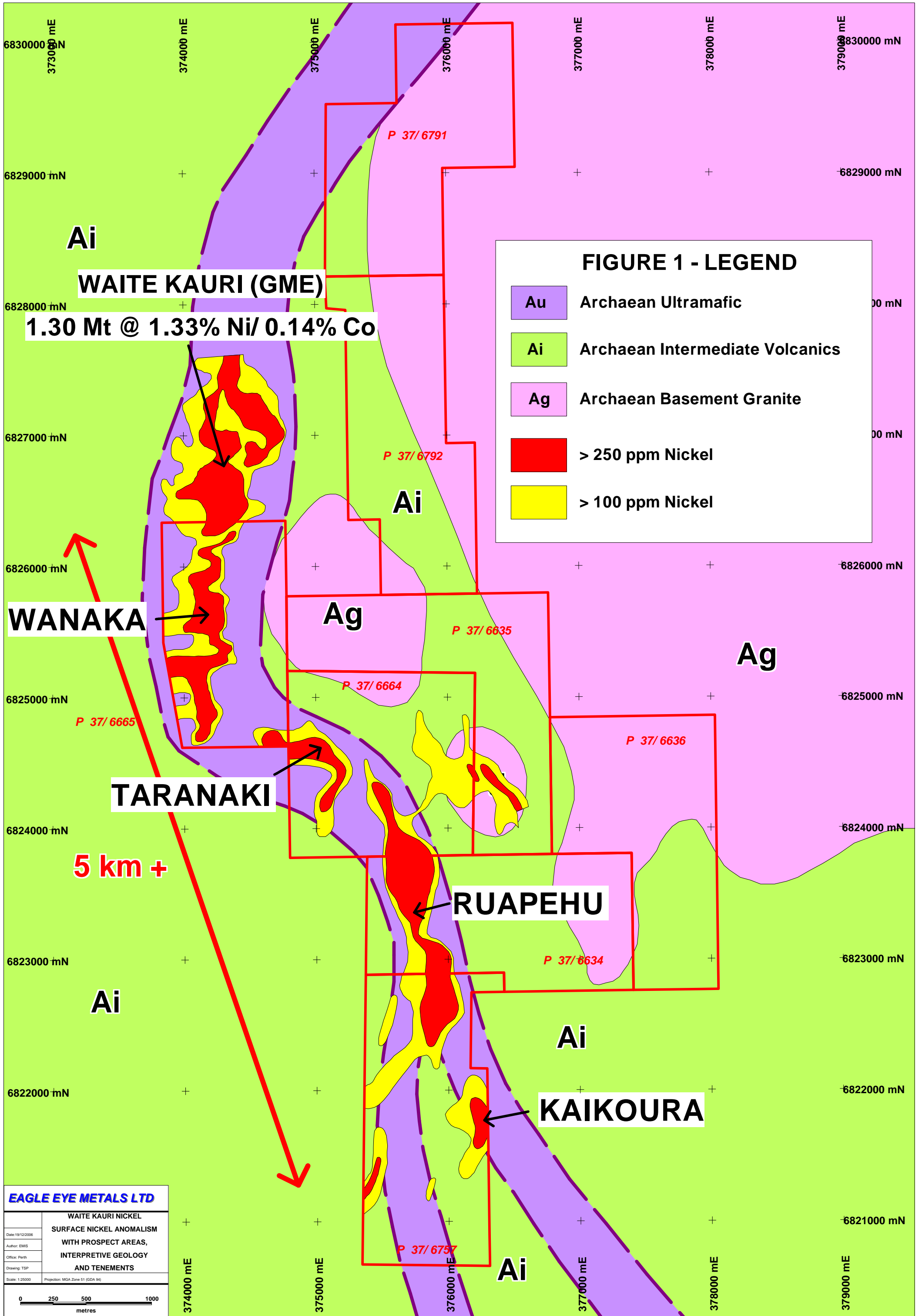
Historically these two prospect areas have been partially tested with RC drilling. Drilling on 800 x 50 metre centres over the Ruapehu and Kaikoura prospects encountered ore grade mineralisation in a number of drill holes (see Figure 2)

#### A. 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 Reefion 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:

<b>99WKRC001</b>	<b>6 metres @ 0.59% Ni/ 0.115% Co/ 6.54% Mg</b>	<b>from 10 metres.</b>
<b>99WKRC002</b>	<b>4 metres @ 0.46% Ni/ 0.099% Co/ 10.1% Mg</b>	<b>from 9 metres.</b>
<b>99WKRC011</b>	<b>6 metres @ 0.82% Ni/ 0.072% Co/ 5.91% Mg</b>	<b>from 17 metres</b>
<b>Including</b>	<b>2 metres @ 0.98% Ni/ 0.086% Co/ 6.73% Mg</b>	<b>from 19 metres.</b>
<b>99WKRC012</b>	<b>9 metres @ 0.81% Ni/ 0.084% Co/ 5.95% Mg</b>	<b>from 1 metre</b>
<b>Including</b>	<b>4 metres @ 0.96% Ni/ 0.121% Co/ 4.21% Mg</b>	<b>from 3 metres.</b>



**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**

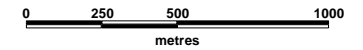
**5 km +**

**EAGLE EYE METALS LTD**

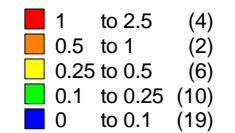
WAITE KAURI NICKEL  
 SURFACE NICKEL ANOMALISM  
 WITH PROSPECT AREAS,  
 INTERPRETIVE GEOLOGY  
 AND TENEMENTS

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

0    250    500    1000  
 metres



**Anaconda RC (Ni% Max)**



**TARANAKI**

**RUAPEHU**

**KAIKOURA**

**Ai**

**Ag**

**Ai**

**Au**

99 WKRC001 6m @ 0.59% Ni/ 0.115% Co

99WKRC002 4m @ 0.46% Ni/ 0.099% Co

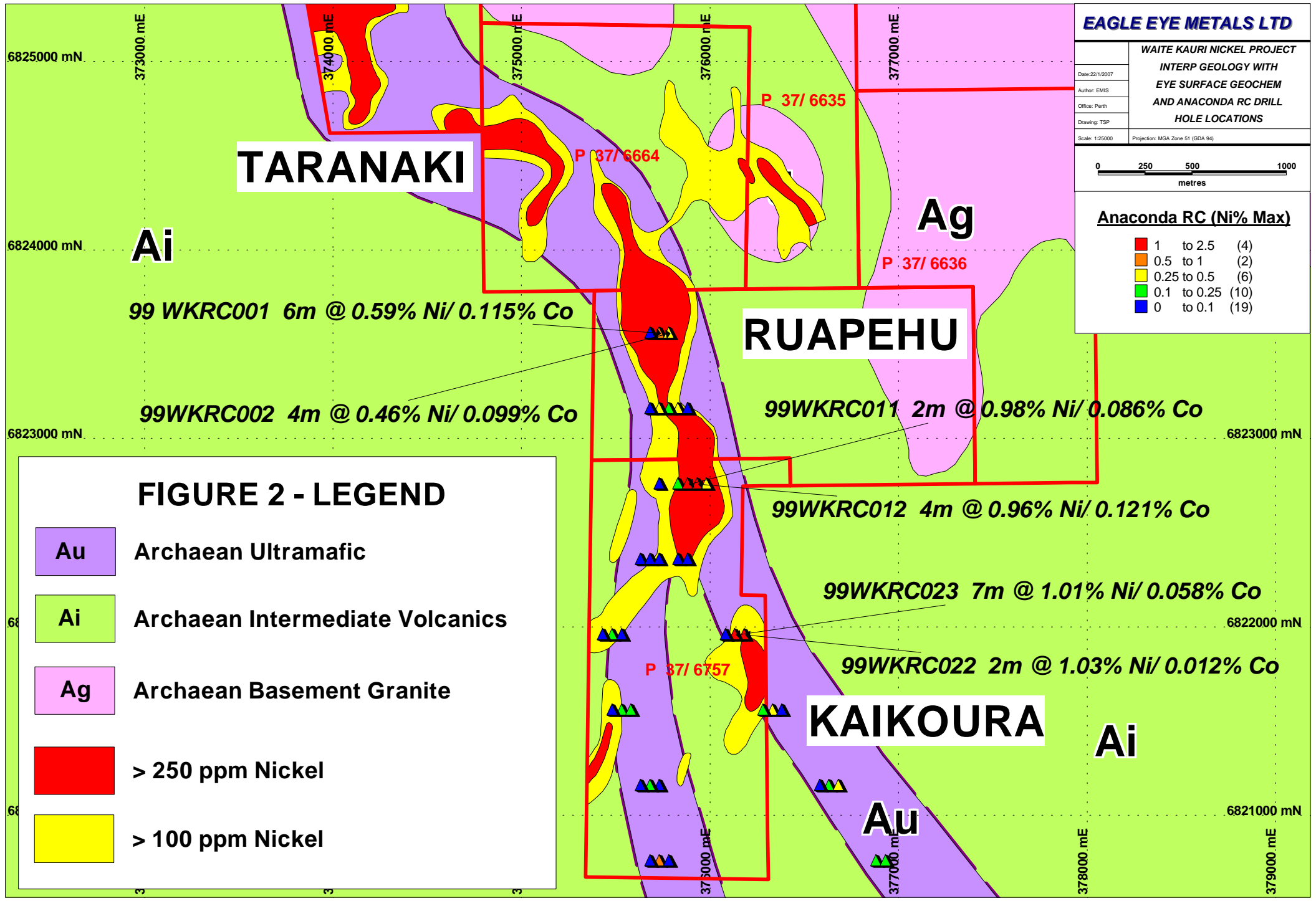
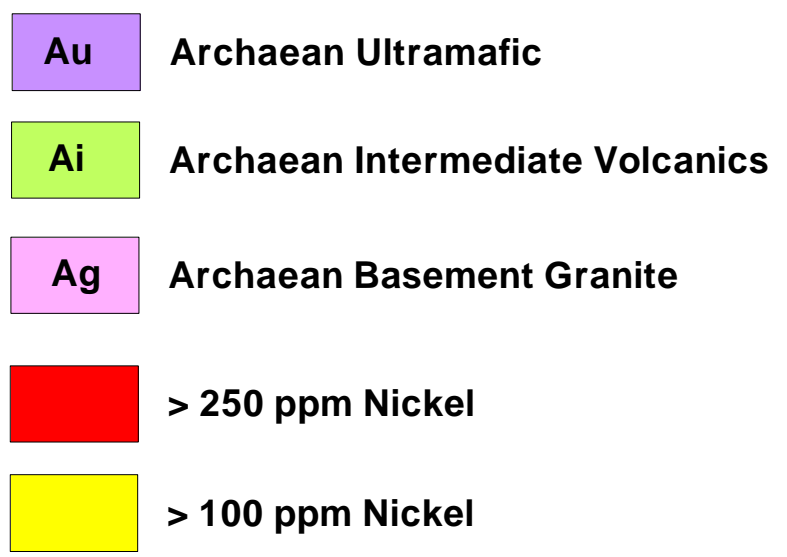
99WKRC011 2m @ 0.98% Ni/ 0.086% Co

99WKRC012 4m @ 0.96% Ni/ 0.121% Co

99WKRC023 7m @ 1.01% Ni/ 0.058% Co

99WKRC022 2m @ 1.03% Ni/ 0.012% Co

**FIGURE 2 - LEGEND**



Most of the Ruapehu prospect remains untested by drilling and will be tested on 200 x 50 metre centres by the current drilling programme.

## **B. 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 will be further tested in the current drilling programme.

The current drilling programme will test the anomalies generated through the recent soil sampling, as well as the strike extensions of historical drill results generated by Anaconda Nickel. Drilling commenced in the north at Wanaka, with drilling now completed at this prospect and assays pending. Drilling has now commenced at the Taranaki prospect and will continue south through to the Ruapehu and Kaikoura prospects.

Eagle Eye Metals looks forward to updating shareholders as the assay results from the aircore drilling programme are received in the coming weeks.

## **2. 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 review of the existing dataset is currently being undertaken, and a programme of RAB drilling planned to test an extensive geochemical anomaly outlined by previous explorers.

### **B. APOLLO HILL GOLD PROJECT, NE 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.

A program of soil sampling programme consisting of 64 soil samples has been completed across the tenement area, with assay results pending.

### **C. 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.

### **D. ERLISTOUN GOLD PROJECT, NE GOLDFIELDS, WESTERN AUSTRALIA.**

The Eristoun Gold project lies adjacent to the historical 'Eristoun 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.

### 3. Financials

Please see attached Appendix 5B.

Yours faithfully  
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)

# 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 MARCH 2007

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	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	(80)	(140)
(b) development	-	-
(c) production	-	-
(d) administration	(87)	(367)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	49	89
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>(118)</b>	<b>(418)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(8)	(8)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	(18)	(26)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(26)</b>	<b>(26)</b>

+ See chapter 19 for defined terms.

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

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1.13	Total operating and investing cash flows (carried forward)	(144)	(444)
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+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(144)	(444)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	2	5,261
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(2)	(102)
1.18	Dividends paid	-	-
1.19	Other – share issue expenses	(77)	(373)
	<b>Net financing cash flows</b>	(77)	4,786
	<b>Net increase (decrease) in cash held</b>	(221)	4,342
1.20	Cash at beginning of quarter/year to date	4,595	32
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	4,374	4,374

**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	55
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**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.*

+ See chapter 19 for defined terms.



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

	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	425
4.2 Development	-
<b>Total</b>	<b>425</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	368	4,595
5.2 Deposits at call	4,000	-
5.3 Bank overdraft	-	-
5.4 Other – Security Deposit	6	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,374</b>	<b>4,595</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.

**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	31,305,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,000	900,000		
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	31,285,000	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 30 June 2010
7.8 Issued during quarter		890,000	20 cents	30 June 2010
7.9 Exercised during quarter	(10,000)	(10,000)	20 cents	
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> ( <i>totals only</i> )		
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## 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: .....  
(Director/Company secretary)

Print name: .....

## 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.