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31 October 2007

The Company Announcements Office
Australian Securities Exchange Limited

QUARTERLY REPORT TO 30 SEPTEMBER 2007

SUMMARY AND CONSULTING GEOLOGIST'S REPORT

Eagle Eye Metals Limited ("Eagle Eye") continued its aggressive exploration program at the Waite Kauri nickel oxide project near Leonora in Western Australia during the quarter, achieving significant progress and completing an additional 53 air core holes. Assay results are pending; however, geological logging of the chips indicates results should support previous mineralised depths and grades encountered at the deposit.

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

Eagle Eye has completed a further 53 holes (007WKAC 131 to 183) for a total of 871 metres in the first quarter in addition to the 130 holes completed previously at the project. The purpose of the programme was twofold; (i) to infill the drill lines on 50 metre centres across strike and to extend the known margins of the Ni oxide mineralisation and (ii) to extend the drilling towards the northern lease boundary adjacent to the GME Resources Waite Kauri mineralised body.

Initial indications from logging are encouraging and similar depths and grades are anticipated upon receipt of sample analysis. Eagle Eye is currently sourcing a reverse circulation drill rig to follow up on earlier drill results to greater depths, as a significant number of drill holes in the earlier programmes ended in ore grade mineralisation due to the air core rig having insufficient air capacity to penetrate the full depth of mineralisation.

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).

A total of 42 holes (007WKAC 142 to 183) were drilled at the Wanaka prospect during the quarter for 486 metres. Drilling was impeded by hard ground and a reverse circulation rig is required to penetrate the siliceous bands and fully test the mineral potential of this promising mineralised body. Assay results for the recent drilling are imminent and will be available early November.

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 holes were drilled (007WKAC 131to141) for 385 metres. Initial geological logging of the chips is encouraging, and laboratory results are imminent.

2. 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).

The 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 the next quarter.

FINANCIALS

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

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Or consult Eagle Eye's web site as below:

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")

30 SEPTEMBER 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A '000	Year to date (3 months) \$A '000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(118)	(118)
(b) development	-	-
(c) production	-	-
(d) administration	(139)	(139)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	58	58
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	(199)	(199)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	(16)	(16)
1.11 Loans repaid by other entities	15	15
1.12 Other	-	-
Net investing cash flows	(2)	(2)
1.13 Total operating and investing cash flows (carried forward)	(201)	(201)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(201)	(201)
	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)	(2)
	Net financing cash flows	(2)	(2)
	Net increase (decrease) in cash held	(203)	(203)
1.20	Cash at beginning of quarter/year to date	3,865	3,865
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,662	3,662

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	76
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
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+ 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	220
4.2	Development	-
Total		220

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	53	56
5.2 Deposits at call	3,600	3,800
5.3 Bank overdraft	-	-
5.4 Other – Security Deposits/Debit Card	9	9
Total: cash at end of quarter (item 1.22)	3,662	3,865

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		

+ 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 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		1,277,500		
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		1,277,500	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>				

+ 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 October 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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