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30 October 2009

The Company Announcements Office
Australian Securities Exchange Limited

QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2009

HIGHLIGHTS

- *Eagle Eye to acquire a 20% interest in the advanced Aphrodite gold project north of Kalgoorlie WA.*
- *Aphrodite Gold Limited securities Float being sponsored by Eagle Eye.*
- *Drilling completed at the Company's highly prospective Erlistoun gold project north of Laverton WA.*

APHRODITE GOLD PROJECT

On 28 September 2009 Eagle Eye announced that it is to be granted an Option over 20% of the Aphrodite gold project, which is being acquired for \$7.2 million in cash and Shares, plus stamp duty and the deemed taxation value of the 1:2 attached Vendor's Options, from Apex Minerals NL ("Apex") by newly formed Aphrodite Gold Limited ("AGL").

Exercise price of the Option is cash equal to 20% of the purchase price and development costs of the project to the date of exercise.

The Option is on advantageous terms to Eagle Eye, allowing it until 30 June 2011 to decide whether to exercise or not, by which time the results of development work on the project, including infill drilling, will be known.

Upon exercise of its Option, Eagle Eye will enter into a Joint Venture with AGL and contribute 20% of ongoing development and production costs.

APHRODITE GOLD LIMITED FLOAT

Following completion of the purchase of the Aphrodite gold project by AGL, set down for November 2009, it will undertake an Initial Public Offering by way of a Prospectus share and option issue to raise funds to develop the project into early production. ASX listing will be sought for AGL's securities.

AGL has retained international mining consultants Coffey Mining to prepare the Independent Geologist's Report for the Prospectus, including a recommended follow up infill drilling program and first pass open pit optimisation study.

Coffey Mining have commenced this work program and expect to complete it by December 2009, enabling completion and release of AGL's Prospectus by February 2010.

Eagle Eye will be a supporting sponsor of the Float, and has taken up a substantial shareholding by way of seed capital in AGL.

CONSULTING GEOLOGIST'S REPORT

Erlistoun gold project

During the quarter the Company completed an air core drill program over its prospective Erlistoun gold project, 67km north of Laverton. This first phase of shallow drilling totaled approx 2500 metres, targeting two discrete zones of gold anomalism.

A report on the results of the program and recommended follow up exploration is being collated for release to the market shortly.

Waite Kauri Leonora nickel/cobalt Joint Venture with Poseidon Nickel Limited

Work on the Waite Kauri JV (Poseidon Nickel earning 80% from Eagle Eye) 43km north east of Leonora continued during the quarter.

The project area contains a JORC compliant Inferred Resource of **2.53Mt @ 0.7% Ni and 0.05% Co**.

Rocworth Consulting

Benjamin Bell

BSc, MMET, MBA

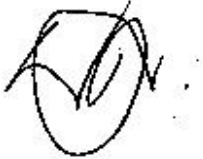
Competent Person Declaration

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

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 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(167)	(167)
(b) development	-	-
(c) production	-	-
(d) administration	(105)	(105)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	6
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	(266)	(266)
Cash flows related to investing activities		
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	(15)	(15)
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(23)	(23)
1.13 Total operating and investing cash flows (carried forward)	(289)	(289)

1.13	Total operating and investing cash flows (brought forward)	(289)	(289)
	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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(289)	(289)
1.20	Cash at beginning of quarter/year to date	2,193	2,193
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,904	1,904

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	160
4.2 Development	-
Total	160

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	24	13
5.2 Deposits at call	1,875	2,175
5.3 Bank overdraft	-	-
5.4 Other – Security Deposits/Debit Card	5	5
Total: cash at end of quarter (item 1.22)	1,904	2,193

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	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>				

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: 30 October 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.

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