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29 October 2010

The Company Announcements Office
Australian Securities Exchange Limited

QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2010

HIGHLIGHTS

- *Commencement of ASX listing of Aphrodite Gold Limited (“Aphrodite”), a gold mining company sponsored by Eagle Eye.*
- *Aphrodite commences drilling at the Aphrodite Gold Project, 20% of which Project is held under Option by Eagle Eye.*
- *Fund raising program planned for implementation.*
- *Exploration at Eagle Eye’s Little Doris gold project produces positive results, including a high grade gold grab sample over 100 g/t.*
- *Exploration progresses at Eagle Eye’s other gold and nickel projects.*

APHRODITE GOLD LIMITED

Eagle Eye is a major sponsor of Aphrodite, is a Substantial Shareholder and has two of its Directors on their Board, Chairman Warren Staude and Finance Director Wayne Ryder.

Aphrodite’s IPO raised \$9,316,300 to be used in the development of the advanced Aphrodite Gold Project, located 65 kms north of Kalgoorlie WA, with an established JORC resource of 983,000 ounces of gold. Its Shares and Options were listed on ASX on 7 July 2010 under the codes AQQ and AQQO.

Eagle Eye holds an Option over 20% of the Aphrodite Gold Project, and is carefully following Aphrodite’s drilling program in progress, designed to establish further resources amenable to open pit mining.

Aphrodite has reported that the Reverse Circulation drilling program is proceeding well, with Phase 1 consisting of over 6,000 metres completed, with assays confirming widespread mineralisation and identifying targets for follow up infill drilling.

Phase 2 infill drilling of 4,000+ metres is underway, aiming to establish further JORC compliant resource by early 2011. Full details are at Aphrodite’s website.

FUND RAISING PROGRAM

Having invested a substantial part of its cash resources into Aphrodite, Eagle Eye is now planning a fund raising program to enable it to take up its Option over a 20% interest in the Aphrodite Gold Project and to continue development of its own gold and nickel projects.

Discussions are well underway with the Company's Brokers and Financial Advisers to implement a funding program to meet ongoing commitments, with details of the program to be advised to Shareholders during the December 2010 Quarter.

EXPLORATION REPORT

Little Doris Gold Project – M38/916

The Little Doris Project is located 55 km north of Laverton and 6km southeast of the Company's Erlistoun Project, Western Australia. Geological mapping and rock sampling were recently completed over the mining lease.

The tenement covers historic shafts and pits and one small shallow open pit extending over an aggregate strike length of 100 metres. The open pit exposes a strong quartz mineralised north striking shear zone over a length of about 50 metres. Outside the pit the ground is covered by soil and laterite masking any extensions to the structure. The shear is up to 5 metres wide and is exposed at both ends of the open pit. The geology of the pit consists of laterised basalt and siltstone.

Five channel samples (LDR1 to LDR5), roughly a metre in width, were collected across the northern face of the open pit and one additional sample (LDR6) across the ferruginous shear in the southern face. All samples were in the oxide zone. In addition, two grab samples (LDR7 and 8) of ferruginous vein quartz were collected from shaft spoils south of the open pit. All samples were assayed for gold (Au) by the fire assay 50 gram method with an AAS finish.

A very high gold assay of 105.6g/t (with a repeat assay of 123.93g/t) was obtained from sample LDR5 from the northern face of the open pit. This and other sample assays (refer to Table 1 below) support the interpretation of high gold grades being achieved by historic mining at Little Doris with the tenor of the mineralisation most likely coarse gold.

Table 1: Rock Sampling Results - Little Doris

Sample No.	Co-Ord East	Co-Ord North	Description	Au g/t	Au g/t Repeats
LDR1	439810	6888260	1m channel sample, shear, N face open pit	0.47	
LDR2	439809	6888260	1m channel sample, shear, N face open pit	0.01	
LDR3	439811	6888260	1m channel sample, shear, N face open pit	2.79	0.81 & 6.10
LDR4	439812	6888260	1m channel sample, shear, N face open pit	0.49	
LDR5	439813	6888260	1m channel sample, shear, N face open pit	105.60	123.93
LDR6	439818	6888210	1m channel sample, shear, S face open pit	0.13	
LDR7	439845	6888157	Grab sample, Fe quartz, spoils from shaft	19.7	1.24 & 2.01
LDR8	439841	6888841	Grab sample, Fe quartz, spoils from shaft	14.9	7.83

Reconnaissance drill holes are planned to test the mineralised shear following drilling on the Company's nearby Erlistoun Project.

Erlistoun Gold Project –M38/561

The Erlistoun Gold Project is located 65kms north of Laverton, Western Australia. The project is being evaluated for gold resources that may be amenable to heap leach processing.

Detailed field geological mapping of the entire mining lease was completed in the previous quarter to facilitate planning of a follow-up drill program in the western half of the project where reconnaissance aircore drilling in late 2009 reported encouraging near surface gold results as well as identifying other areas of interest.

A follow-up shallow drilling program is being planned for works approval by the Western Australian Department of Mines and Energy. The Company has completed an Aboriginal heritage survey allowing drilling to be conducted. The drilling program will target a prospective 3km north-south trending corridor between the areas drilled in late 2009 which is largely obscured by shallow colluvium and alluvium.

Waite Kauri Nickel-Cobalt Project – M37/01289

The Waite Kauri Project is located 43km northeast of Leonora, Western Australia and is covered by a recently granted mining lease.

The project hosts a nickel-cobalt laterite deposit with a JORC compliant Inferred Resource of 2.53 million tonnes averaging 0.7% nickel and 0.05% cobalt, equating to around 17,000 tonnes of contained nickel and 1,520 tonnes of cobalt (refer to ASX announcement of 14 July 2008 for more detailed information).

Driven by a positive outlook for the nickel price Eagle Eye has recently instigated a program to evaluate the project for its sulphide nickel potential. Nickel-cobalt laterite resources have been delineated in and around the project area, but as of yet no primary nickel sulphide deposits have been identified. During the previous quarter International Geoscience completed a review of previous geophysical work conducted over the project area. This involved interpreting the geophysical data and making recommendations for future programs over any areas of interest.

A detailed ground magnetic survey is now being planned by International Geoscience to commence in the December Quarter. This work will aid in the identification of targets for a follow-up induced polarisation (IP) survey.

FINANCIAL REPORT

The Company's Appendix 5B Quarterly Cash Flow Statement for the Quarter follows.

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

Yours sincerely



Wayne Ryder
Executive Chairman

Competent Person Declaration

The information in this Report that relates to Exploration Result an, Mineral Resources is based on information compiled by Leon Reisgys of Townshend Mining Pty Ltd, who is a fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) and a member of The Australian Institute of Geoscientists (AIG). Mr Reisgys 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.

For further information please contact:

Wayne Ryder, Executive Chairman

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ASX code: EYE

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 2010

Consolidated statement of cash flows

	Current quarter	Year to date (3 months)
	\$A'000	\$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	(106)	(106)
(b) development	-	-
(c) production	-	-
(d) administration	(123)	(123)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
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	(227)	(227)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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	-	-
1.13 Total operating and investing cash flows (carried forward)	(227)	(227)

1.13	Total operating and investing cash flows (brought forward)	(227)	(227)
	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/creditors	2	2
1.17	Repayment from borrowings/debtors	21	21
1.18	Dividends paid	-	-
1.19	Other – share issue expenses/refunds	-	-
	Net financing cash flows	23	-
	Net increase (decrease) in cash held	(204)	(204)
1.20	Cash at beginning of quarter/year to date	337	337
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	133	133

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	105
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	105
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total	225

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	22	25
5.2 Deposits at call	100	301
5.3 Bank overdraft	-	-
5.4 Other – Security Deposits/Debit Card	11	11
Total: cash at end of quarter (item 1.22)	133	337

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>			<i>Exercise price</i>	<i>Expiry date</i>
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: 29 October 2010

(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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