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28 April 2011

The Company Announcements Office  
Australian Securities Exchange Limited

## QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2011

### HIGHLIGHTS

- West African Gold Projects being acquired.
- Aphrodite Gold Limited (“Aphrodite”) announces an updated JORC resource at the Aphrodite Gold Project, 20% of which is held under Option by Eagle Eye.
- Fund raising program underway.

### WEST AFRICAN GOLD PROJECTS

On 9 March 2011 Eagle Eye Metals Limited (“Eagle Eye” or the “Company”) announced to ASX that it had entered into a Memorandum of Understanding with the Board of unlisted Birimian Gold Limited (“Birimian Gold”), whereunder Eagle Eye will offer to acquire 100% of Birimian Gold’s Shares.

The acquisition involves Eagle Eye offering 3 Shares for each Birimian Gold Share, total 42,855,000 Eagle Eye Shares for all of Birimian Gold’s 14,285,000 Shares.

Birimian Gold holds substantial interests in several highly prospective gold projects in West Africa, a gold rich region which has produced 250 million ounces of gold from large, low cost mines.

Birimian Gold’s main projects are in Mali, the third largest producer of gold in Africa, and include the Dankassa Gold Project and the Korindji Gold Project, which is adjacent to AngloGold Ashanti’s 13Moz Sadiola Gold Mine and the 4.5Moz Yatela Gold Deposit.

Successful completion of the acquisition will see Birimian Gold’s Directors, Kevin Joyce, Hugh Bresser and Mike Haynes, all very experienced mining men, join Eagle Eye’s Board. Kevin Joyce will be employed under Contract to continue to manage the development of the West African gold projects.

Shareholders should note that whilst the acquisition has the support of both Eagle Eye’s and Birimian Gold’s Boards, it is subject to the acceptance by Birimian Gold Shareholders and the approval of Eagle Eye Shareholders at a General Meeting. This Meeting has been called for 24 May 2011, with first Proxies already in indicating that the proposal will receive overwhelming support.

Highlights of Birimian Gold's main Projects include:

### **The Dankassa Gold Project**

Extensive coherent gold anomalism in regional soil sampling data over the 450km<sup>2</sup> Project area.

- At the Kourouba Prospect:
  - Coherent soil anomaly over more than 5,000 metres of strike.
  - Abundant mineralisation intersected in previous shallow drilling, including:
    - 10m at 5.75 g/t gold
    - 6m at 2.69 g/t gold
    - 20m at 2.17 g/t gold
  - All mineralisation is shallow oxide material (average holes 70 metres).
  - Mineralisation remains open in all directions.
  - Numerous drill-ready targets.
- Numerous other soil geochemistry targets within the Project area can be rapidly brought to drill ready stage.

### **The Korindji Gold Project**

- 130km<sup>2</sup> permit adjacent to the 13Moz Sadiola Gold Deposit and the 4.5Moz Yatela Gold Deposit.
- Numerous geochemical anomalies that can be rapidly brought to drill-ready stage.

### **APHRODITE GOLD PROJECT**

**M24/662, M24/681, M24/720, M24/779, M24/649**

The Company holds an Option to acquire a 20% interest in the advanced Aphrodite Gold Project near Kalgoorlie, Western Australia from Aphrodite Gold Limited.

The Option is exercisable by 30 June 2011 for cash equal to 20% of the purchase price of the Project and exploration and development costs incurred up to the exercise date.

During the quarter Aphrodite Gold Limited announced to ASX an updated JORC compliant resource estimate for the Project.

Highlights of the revised estimate include:

- Indicated and Inferred Mineral Resource containing 1,033,000 ounces gold (Au).
- 420,000 ounces averaging 1.85 g/t Au (at 0.5g/t cut off) above 150 metres vertical depth.
- 613,000 ounces averaging 6.35g/t (at 3.0g/t cut off) between 150 and 440 metres depth.
- Resource is open at depth.
- Resource estimates at different cut-offs suggest flexibility to vary tonnes/grade in future mine studies.

Aphrodite Gold has now commenced a further major Reverse Circulation (RC) drill program of up to 30,000 metres. This program will largely focus on infill drilling down to around 200 metres vertical depth over the Alpha and Phi lodes which host the resources.

Other promising targets within the project area, where limited drilling has produced highly encouraging results (including the Epsilon zone between the Alpha and Phi lodes), will also be evaluated .

## **OTHER MINING PROJECTS**

Eagle Eye holds outright 100% interests in a nickel/cobalt project and seven gold projects in the Leonora/Laverton Region of the Eastern Goldfields of Western Australia.

Limited exploration was undertaken over these areas during the quarter while the Company embarked upon its fund raising and development program.

These projects are being evaluated for further development work, or possible sale or joint venture out.

They include:

### **Waite Kauri Nickel-Cobalt Project – M37/01289**

The Waite Kauri Project is located 43km northeast of Leonora, Western Australia.

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 the positive outlook for nickel the Company has instigated a program to evaluate the Project for its sulphide nickel potential.

In 2010 independent consultants 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.

Detailed ground magnetic surveying is planned to aid in the identification of targets for a follow-up induced polarisation (IP) survey.

### **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 completed over the mining lease in 2010. The project has potential for delineating high grade gold ore shoots.

The tenement covers historic shafts and pits and one shallow open pit extending over a strike 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 this structure.

### **Apollo Hill Gold Project - M39/296**

The Apollo Hill mining lease is located 46km southeast of Leonora, Western Australia. The tenement lies adjacent and along strike from the Apollo Hill gold deposit. In 2010 Peel Exploration Ltd announced a maiden JORC resource for this deposit of 9.9Mt averaging 1.0 g/t for 318,000 ounces of gold.

The location of the Company's lease directly along strike from the Apollo Hill deposit increases the likelihood of gold mineralisation extending into the project area. A first pass aircore drill program is planned to allow better targeting for subsequent RC drilling.

The Company is also examining the option of selling or farming out the 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.

### **FINANCIAL REPORT**

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

At the beginning of the quarter available cash funds were negligible. However, the Company was able to continue operations effectively while it implemented its fund raising program. This was achieved by cashing in investments held in other mining companies listed on the ASX – not including Aphrodite Gold Limited.

Since the end of the quarter Eagle Eye has appointed leading Australian Broker Patersons Securities Limited ("Patersons") as its fund raising manager, with Patersons arranging a placement of shares in April 2011, raising \$593,100 before costs.

Other fund raisings are underway under Patersons management, with the Company soon to announce a 1:2 Renounceable Rights Issue. In addition, subject to Shareholder approval at the 24 May 2011 General Meeting, leading bank Macquarie Securities Limited has agreed to make a direct investment in the Company to raise a further \$500,000 .

Shareholders and investors queries are welcome.

Yours sincerely



Wayne Ryder  
Executive Chairman

### ***Competent Persons Declarations***

*The information in this Report that relates to Exploration Results for the projects located in West Africa is based on information compiled by Mr Hugh Alan Bresser who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bresser is a Director of Birimian Gold Limited, he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Resources and Ore Reserves'. Hugh Alan Bresser consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.*

*The information in this Report that relates to Exploration Results and Mineral Resources for projects located in Western Australian is based on information compiled by Leon Reigys 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 Reigys 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.*

**[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 2011

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(71)	(248)
(b) development	-	-
(c) production	-	-
(d) administration	(82)	(287)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	3
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>(153)</b>	<b>(532)</b>
<b>Cash flows related to investing activities</b>		
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	81	106
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net investing cash flows</b>	<b>81</b>	<b>106</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(72)</b>	<b>(426)</b>

1.13	Total operating and investing cash flows (brought forward)	(72)	(426)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings/creditors	70	82
1.17	Repayment from borrowings/debtors	-	21
1.18	Dividends paid	-	-
1.19	Other – share issue expenses/refunds	-	-
	<b>Net financing cash flows</b>	70	103
	<b>Net increase (decrease) in cash held</b>	(2)	(323)
1.20	Cash at beginning of quarter/year to date	16	337
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>14</b>	<b>14</b>

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	85
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	385
4.2	Development	-
4.3	Production	-
4.4	Administration	150
<b>Total</b>		<b>535</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	3	5
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other – Security Deposits/Debit Card	11	11
<b>Total: cash at end of quarter (item 1.22)</b>		<b>14</b>	<b>16</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	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	<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	44,010,000		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>			<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	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 28 April 2011

(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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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