EAGLE EYE

Metals Limited

ANNUAL REPORT 2010

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CORPORATE DIRECTORY

REGISTERED OFFICE

Eagle Eye Metals Limited
ABN 11 113 931 105
45 Ventnor Avenue
West Perth WA 6005

DIRECTORS

Wayne Ryder FCA FAICD MSME – Executive Chairman
Garry Plowright – Non-Executive
Warren Staude BSc MSc MAusIMM FFin – Non-Executive

SECRETARY AND CHIEF EXECUTIVE OFFICER

Wayne Ryder FCA
Tel (08) 9389 4450
Fax (08) 9389 4400
Mobile 0418 928 180
wayne@eagleeyemetals.com

CONSULTING GEOLOGISTS

Townshend Mining Pty Ltd
Senior Geologist Leon Reisgys BSc(Hons) Grad Dipl FAUSimm MAIG
45 Ventnor Avenue
West Perth WA 6005

AUDITORS

Grant Thornton Audit Pty Ltd
Chartered Accountants
Level 1, 10 Kings Park Road
West Perth WA 6005

SOLICITORS

Hardy Bowen Lawyers
Level 1, 28 Ord Street,
West Perth WA 6005

WEB SITE

www.eagleeyemetals.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2010 Annual General Meeting of the Members of Eagle Eye Metals Limited will be held at the Registered Office, 45 Ventnor Avenue, West Perth WA 6005 on Tuesday 16 November 2010 at 11.45 a.m.

BUSINESS :

1. To receive, consider and, if thought fit, adopt the Balance Sheet at 30 June 2010 and the Income Statement for the year then ended, together with the Reports of the Directors and Auditors thereon.

2. To elect a Director :

    Garry Plowright retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

3. To receive, consider and, if thought fit, adopt the Remuneration Report as contained in the Directors' Report.

4. To transact any other business in accordance with the Company's Constitution.

BY ORDER OF THE BOARD

WAYNE RYDER
SECRETARY

DATED AT PERTH THIS 30TH DAY OF SEPTEMBER 2010

PROXIES

Any Member entitled to attend and vote is entitled to appoint not more than two Proxies who must be natural persons over the age of 18 years.

Where more than one Proxy is appointed each Proxy must be appointed to represent a specified proportion of the Member's voting rights.

A Proxy need not be a Member of the Company.

A Proxy Form is included at the back of this Report. If Proxies are appointed the Proxy Form must be lodged with the Company by delivery or post to the Registered Office, 45 Ventnor Avenue, West Perth WA 6005, or by fax to (08) 9389 4400, or by e-mail to *info@eagleeyemetals.com* not less than 48 hours before the Meeting.

CHAIRMAN'S REVIEW

Introduction

A highlight of the 2010 financial year was the sponsorship by Eagle Eye of a new gold float on to ASX, Aphrodite Gold Limited ("Aphrodite").

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 Initial Public Offering closed oversubscribed, raising $9,316,300, and its Shares and Options were Listed on ASX on 7 July 2010 under the codes AQQ and AQQO.

The funds raised are to be used in the development of the advanced Aphrodite Gold Project, located 65 kms north of Kalgoorlie WA.

The Project has an established JORC compliant inferred and indicated resource of 983,000 ounces of gold, and contains other highly prospective exploration targets.

As part of the sponsorship arrangement, during the year Eagle Eye was granted an Option over 20% of the Aphrodite Gold Project, where Aphrodite has commenced a substantial drilling program designed to establish further resource amenable to open pit mining.

The Company's involvement with Aphrodite resulted in a substantial gain in the value of its Shareholding therein, this being the main factor responsible for Eagle Eye showing Total Comprehensive Income for the year of $240,540.

The 2010 financial year also saw further progress with the exploration and development of Eagle Eye's gold, nickel and other base metals areas.

Exploration Programme

Waite Kauri nickel/cobalt project

The Waite Kauri Project is located 43 kms northeast of Leonora in the north-eastern Goldfields of Western Australia and is held under a recently granted mining lease, M37/1289 comprising 1,155 hectares.

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.

Given the strengthening nickel price and positive forecasts for nickel demand, late in the year Eagle Eye instigated a program to evaluate the project for its sulphide nickel potential. Nickel-cobalt laterite has been identified in and around the Project area, but as of yet no primary nickel sulphide deposits have been identified.

The Company had International Geoscience complete a review of previous geophysical work conducted over the Project. This involved interpreting the geophysical data and making recommendations for future programs over areas of interest.

Data from two airborne magnetic surveys were acquired and merged to produce a higher resolution magnetic dataset for the Project tenements. One ground gravity survey was also acquired but was assessed to be of limited use due to the coarse resolution of the data.

The merged magnetic data, with available remote sensing data and previous geology, were used to produce a revised integrated interpretation of the Project. The known nickel-cobalt deposits in and around the Project correlate well with the mapped ultramafic units. The strong magnetic response of this unit correlates well with previously mapped serpentinite from exploration reports.

Detailed ground magnetic and follow-up induced polarisation (IP) surveys have been recommended by the consultants. This will aid in the identification of massive or disseminated sulphide targets within the mining lease.

Erlistoun Gold Project

Eagle Eye's Erlistoun Gold Project is located 65 kms north of Laverton, Western Australia and is comprised of tenements M38/561 and P38/3780 totalling 550 hectares.

The Project is being evaluated for gold resources that may be amenable to heap leach processing.

During the year field geological mapping of the entire project area (5.5 sq km) was completed at the scale 1:5,000. The mapping was undertaken to facilitate planning of a follow-up drill program in the western half of the Project (where reconnaissance drilling in late 2009 reported encouraging near surface gold results) as well as to identify other areas of interest. This mapping included some rock chip sampling, with samples recently submitted for assay.

Following receipt of all data a follow-up shallow drill program will be planned to commence in late 2010. This program will principally target a prospective 3km north-south trending corridor between the areas drilled in late 2009.

Other Projects

Several of the Company's 6 other exploration projects located in the Leonora/Laverton region have shown up as highly prospective for gold and base metals from initial exploration work, and these are being followed up progressively for further exploration and development work. Apart from the above outlined work programs for the Waite Kauri and Erlistoun Projects, a drilling program has been submitted to the Mines department for their approval in respect of the Apollo Hill Gold Project south-east of Leonora.

These gold and base metals exploration projects are all located in the same Leonora-Laverton region and are all 100% owned by the Company. Tenement details are as follows:-

- Apollo Hill – M39/296 comprising 24 hectares.
- Leonora East – P37/6674, 6893, 7077, 7499 – 7507, 7709 – 7710, 7621 – 7630, 7709 – 7710, 7762 – 7763, 7867 – 7873, 6787 – 6788 comprising 6,156 hectares.
- Mertondale – P37/7590-7591 comprising 400 hectares.
- Randwick – M37/1163, 1173, P37/7774, 7525 7533 – 7535, 7762 – 7764, 7853 comprising 2,320 hectares.
- Little Doris – M38/916 comprising 9 hectares.
- Wandry Well – P31/1990 comprising 90 hectares.

Financial Results

For the year the Company capitalised exploration expenditure of $324,624 (2009 $470,704), and wrote off $3,585 (2009 $146,062) of exploration expenditure incurred on its tenements not considered worth retaining.

Net loss from operations for the year before income tax was $454,114 (2009 $657,168).

After adding back Other Comprehensive Income resulting from a net gain on revaluation of financial assets of $694,654 this resulted in Total Comprehensive Income for the year of $240,540 (2009 loss $657,168).

Close

We would like to see as many Shareholders as possible at the AGM, and you are welcome to contact any of the Directors with any queries or to discuss your views on our operations.

Sincerely

Wayne Ryder
30th September 2010

DIRECTORS' REPORT

Your Directors present their Report on Eagle Eye Metals Limited for the year ended 30 June 2010.

Currency

All monetary amounts shown throughout the Annual Report are expressed in Australian Dollars.

Directors and Company Secretary

The following persons were Directors/Secretary of the Company during the year and at the date of this Report:

- **Wayne Ryder FCA FAICD MSME**
  (Non-Independent Executive Chairman and Company Secretary) (Appointed 21 April 2005)

  Wayne is a substantial Shareholder and the largest holder in the Company.

  He has an extensive track record in the mining resources sector over many years, having been involved in Australia with the ASX listing, and in the United States NASDAQ listing, of a considerable number of mining companies. He has developed excellent associations with US-based exploration groups, as well as key US capital market resource investors.

  He has held Directorships with a number of successful explorers and producers both in an executive and non-executive role, and is currently Executive Chairman of ASX listed Eagle Eye Metals Limited. He has also acted as the Secretary of a number of ASX listed public companies, mostly mining and exploration companies based in Western Australia, and manufacturing companies with operations in Australia and China.

  Perth based Wayne is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Australian Institute of Company Directors and a Member of the Society for Mining, Metallurgy and Exploration in the United States.

  Other Directorships held in the last three years were:

  - Aphrodite Gold Limited, appointed 14 August 2009 – current.
  - Globe Securities Limited, appointed 11 February 1987 – resigned 20 November 2008.

  Number of fully paid Ordinary Shares held directly and indirectly: 8,150,000

- **Garry Plowright**
  (Independent Non-Executive) (Appointed 21 April 2005)

  Garry's career includes over 15 years experience in commercial and technical development within the mining industry, working for some of Australia's leading resource companies. He has been mostly involved in gold, base metals and iron ore exploration and mining, predominantly in Western Australia. He brings to the Board considerable experience and knowledge associated with the supply and logistics of services to the mining industry, tenement management and issues relating to land access, native title, and community consultation.

  Garry has held management positions in the private sector of the mining industry, including mapping and GIS management for various small, medium and large capped companies. He has an extensive background in mining law and administration and has provided services to the industry in tenement management and administration, property acquisitions, project generation and joint venture negotiations. He is responsible for the important tenement management role with Eagle Eye.

  Number of fully paid Ordinary Shares held directly and indirectly: 1,060,000

- **Warren John Staude BSc MSc MAusIMM FFin**
 (Independent Non-Executive) (Appointed 31 March 2006)

Sydney based Warren has long term professional experience in mining and mineral exploration, resource investment and portfolio investment management.

He currently sits on the Joint Ore Reserves Committee (JORC) in Australia.

Over the past 20 years Warren has been engaged mostly in institutional investment management and research, working at AMP and GIO. Following AMP's takeover of GIO he assumed a leading role in establishing a specialist international resource equity investment fund and in assisting corporations in fund raising and with corporate advice. Previously he has worked as a consulting Geologist in both Government and industry, and on the academic staff at Macquarie University.

He is a Graduate of the University of Sydney (BSc, Geology), Macquarie University (MSc, Mineral Economics), is a Member of the Australasian Institute of Mining and Metallurgy and holds a Graduate Diploma from the Securities Institute of Australia.

Other Directorships held in the past three years were:

- Central West Gold NL, appointed 24 February 2002 – current.
- Malachite Resources NL, appointed 9 July 2002 – current.
- Frontier Resources Limited, appointed 31 December 2002 – current.
- Stonehenge Metals Limited, appointed 7 September 2006 – current.
- Excelsior Gold Limited, appointed 27 November 2008 – current.
- Aphrodite Gold Limited, appointed 14 August 2009 – current.

Number of fully paid Ordinary Shares held directly and indirectly: 600,000

Results

Net loss before income tax for the year ended 30 June 2010 was $454,114 (2009 $657,168). Total Comprehensive Income was $240,540 (2009 loss $657,168).

Principal Activities and Use of Funds

During the year the principal activities of the Company were the exploration of its own mining tenements for gold, nickel and other base metals, and acquisitions of a substantial shareholding interest in Aphrodite Gold Limited and an Option over 20% of that Company's Aphrodite Gold Project. Cash funds were utilised in a way consistent with the business objectives as stated in the 2006 Prospectus. No other substantial activities were undertaken during the year.

Dividends

The Directors recommend that no dividend be declared in respect of the financial year covered by this Report.

Significant Changes in the State of Affairs

No significant changes took place during the year in the state of affairs of the Company.

Matters Subsequent to the End of the Financial Year

Other than as set out in the Notes to the financial statements, Note 14(c) Capital Management, at the date of this Report there is no matter or circumstance which has arisen since the end of the financial year that has significantly affected or may significantly affect:

- the Company's operations in future financial years; or
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no likely developments contemplated at the date of this Report that may have a significant effect upon the expected results of operations of the Company.

Environmental Regulations

Operating in the minerals exploration and development industry, Eagle Eye is subject to Environmental Regulations and controls as set down by the Statutory Authorities, including the Department of Industry & Resources. The Company has complied and will continue to comply with those Regulations, and have adopted such compliance as an important point in our Corporate Governance practices.

Meetings of Directors and Committees

Directors during the year and Directors' Meetings attended were:

Name	Meetings Held	Meetings Attended
Wayne Ryder	4	4
Garry Plowright	4	4
Warren Staude	4	4

The Audit Committee was formed during the year for the purpose of reviewing and discussing with the Auditors the Company's activities and financial statements for the year. A meeting was held for this purpose and was attended by both members of the Committee, Directors Warren Staude and Garry Plowright.

The Company does not have a separate Remuneration Committee. Remuneration is considered and determined by the Board of the Directors of the Company, with any relevant affected Director not participating in the vote on his Remuneration.

Remuneration Report (Audited)

The Board of the Company determines the remuneration policies and practices generally, and makes specific decisions on remuneration packages and other terms of employment for Executive Directors, other senior executives and Non-Executive Directors.

The Company has no Employee Option Plan and does not offer any other incentives to Directors or Key Management Personnel as part of their remuneration. No Key Management Personnel remuneration is linked to the Company's performance.

The performance of key management personnel is measured against criteria agreed bi-annually with each executive and is based predominantly on the successful development of the Company's gold, base metals project and Shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in Shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed.

The Board's policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board of Directors determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by Shareholders at the Annual General Meeting.

During the year the following Directors' fees, Company Secretary's fees, salaries, management and consulting fees were paid or accrued to Directors:

2010

	Short term benefits	**Post employment benefits**	
	Salary and Fees $	**Super-annuation $**	**Total $**
Wayne Ryder	172,000	50,000	222,000
Garry Plowright	60,000	-	60,000
Warren Staude	60,000	-	60,000
Total	**292,000**	**50,000**	**342,000**

2009

	Short term benefits	**Post employment benefits**	
	Salary and Fees $	**Super-annuation $**	**Total $**
Wayne Ryder	121,500	96,000	217,500
Garry Plowright	60,000	-	60,000
Warren Staude	45,000	-	45,000
Total	**226,500**	**96,000**	**322,500**

Salary and Directors' fees includes fees paid to related entities as shown in note 8 Related Party Transactions.

Executive Chairman Wayne Ryder is the only Director or Key Management Personnel employed by the Company under Contract. His current Contract for Employment is due to expire on 6 December 2010 if not renewed or terminated by then, in which case it will automatically roll over for the ensuing 12 months. The Company may terminate the Contract by written notice of at least 2 months, with the balance of remuneration to the expiry date of the Contract there upon becoming due and payable. The Company may also terminate the Contract without any termination payment for any breaches of his required duties and responsibilities that remain unrectified for 14 days from notice thereof.

Corporate Governance Statement

The Directors are responsible for the Corporate Governance practices of the Company. These practices are being progressively developed, having regard to the most suitable and effective procedures applicable to the Company.

The main Corporate Governance practices in operation by the Company are:-

The Board of Directors

The Board's charter is that it should:

- be comprised of at least 3 Directors;
- be made up of a majority of Independent Non-Executive Directors;
- be comprised of Directors with a broad range of skills, qualifications and experience appropriate to the Company's operations;
- meet on a regular basis; and
- maintain constant on-going communication of activities between Directors so that all Directors are fully informed of the Company’s business and so as to be possessed of all the necessary information required to make decisions by Resolutions of the Board.

Duties and Responsibilities of Directors

On the date on which this Report of the Directors is made out, the Board consisted of 3 Directors, the Chairman of which is an Executive Director and the other 2 are Independent Non-Executives. Details of the Directors are set out at the commencement of this Directors’ Report.

The primary responsibilities of the Board include:

- the approval of the annual Financial Statements;
- establishment of long term goals of the Company and strategic plans to achieve those goals;
- the review and adoption of annual budgets for the financial performance of the Company, monitoring the results on a regular basis;
- ensuring that the Company abides by ASX listing rule disclosure requirements;
- ensuring that all management, employees and consultants abide by a high standard code of conduct befitting a listed corporation;
- ensuring that the Company abides strictly by Environmental Regulations affecting its operations in the minerals exploration and development industry; and
- ensuring that the Company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2010.

Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the Annual Report and their term of office are detailed in the Directors’ Report.

The names of independent Directors of the Company are:

- Warren Staude
- Garry Plowright

When determining whether a Non-Executive Director is independent the Director must not fail any of the following materiality thresholds:

- less than 10% of Company's Shares are held by the Director and any entity or individual directly or indirectly associated with the Director;
- none of the Directors' income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any member of the Company other than income derived as a Director of the Company.

Independent Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the Company.

Securities Trading Policy

The Company's policy regarding Directors and employees trading in its securities is set by the Board. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the Company's securities' prices.

Communication with Shareholders

The Company's policy is to keep Shareholders well informed of operational activities and financial matters via ASX announcements, media releases, direct letter and email advices and it's web site. The Company also actively encourages communication from Shareholders. To assist Key Management Personnel with communications, the Company retains investor relations and media consultants.

Audit Committee

The names and qualifications of those appointed to the Audit Committee and their attendance at meetings of the Committee are included in the Directors' Report.

Risk Management

The Board and Risk Management Committee are responsible for the Company's system of internal controls to effectively manage material business risks and any oversights. The Board and Committee constantly monitors the operational and financial aspects of the Company's activities and considers the recommendations and advice of the Auditors and other external advisers on the operational and financial risks that face the Company.

The Board and Committee ensures that recommendations made by the Auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the risks identified.

The Board is satisfied from the advice of the Chief Executive Officer and Chief Financial Officer, who has signed off in that regard, that all material business risks and financial reporting risks for the financial year have been managed effectively.

Code of Conduct

As part of the Board's commitment to the highest standards of conduct, the Company has adopted a Code of Conduct to guide executives, management and employees in carrying out their duties and responsibilities. The Code of Conduct covers such matters as:

- responsibilities to Shareholders;
- relations with customers and suppliers;
- compliance with environmental regulations;
- employment practices; and
- responsibilities to the community.

Performance Evaluation

An annual performance evaluation of the Board and all Board members was conducted by the Board for the financial year ended 30 June 2010. The Chairman also speaks to each Director individually regarding their role as a Director. The evaluation was considered by the Board and formed the basis for recommendations to set and improve performance criteria and goals for the next year.

Remuneration Policies

The remuneration policy, which sets the terms and conditions for the key management personnel, was developed by the Board after seeking professional advice from independent consultants. Executives receive a base salary, and may also receive superannuation and fringe benefits. The Board reviews executive packages annually by reference to the Company's performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The object is to reward executives adequately so as to attract highly capable personnel who will develop the Company's activities to the maximum benefit of Shareholders.

Remuneration Committee and Nomination Committee

The Company does not have either a Remuneration Committee or Nomination Committee as recommended by the ASX Corporate Governance Council. Given that the Company has only three Directors, it is considered that there are no efficiencies to be gained by having these separate Committees, so these roles are undertaken by the Board.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's web site at www.eagleeyemetals.com

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Indemnification and Insurance of Officers and Auditors

The Company has agreed to indemnify, to the extent permitted by law, each Director and Secretary of the Company against any liability incurred by that person as an Officer of the Company. The Company will obtain and pay for Directors and Officers insurance policies during the 2011 financial year.

The Company has not paid any premiums in respect of any contract insuring its Auditor against a liability incurred in their role as Auditor of the Company. In respect of non-audit services, Grant Thornton Audit Pty Ltd, the Company's Auditor, has the benefit of an indemnity to the extent Grant Thornton Audit Pty Ltd reasonably relies on information provided by the Company which is false, misleading or incomplete. No amount has been paid under this indemnity during the financial year ended 30 June 2010 or to the date of this Report.

Non-audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external Auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Grant Thornton Australia Ltd for non-audit services provided:

	$ 2010	**$ 2009**
Taxation services	6,515	2,000

Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 30 June 2010 can be found on Page 18.

This Directors' Report is made in accordance with a Resolution of the Board of Directors.

Wayne Ryder
Director
Dated at Perth this 30th Day of September 2010

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Independent Auditor's Report
To the Members of Eagle Eye Metals Limited

Report on the financial report

We have audited the accompanying financial report of Eagle Eye Metals Limited (the "Company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Eagle Eye Metals Limited is in accordance with the Corporations Act 2001, including:

i giving a true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 1(p) in the financial report which indicates that the Company incurred a net loss of $454,114 for the year ended 30 June 2010. These conditions, along with other matters as set forth in Note 1(p) indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts state in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 8 to 9 of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Eagle Eye Metals Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Director – Audit & Assurance

Perth, 30 September 2010

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards; and
    b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Company;
    c. complies with International Financial Reporting Standards as disclosed in Note 1.

2. the Chief Executive/Financial Officer has declared that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001*;
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view;

3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Wayne Ryder
Director and Chief Executive/Financial Officer
Dated at Perth this 30th day of September 2010

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Auditor's Independence Declaration
To the Directors of Eagle Eye Metals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Eagle Eye Metals Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Director – Audit & Assurance

Perth, 30 September 2010

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2010

	Notes	2010 $	2009 $
Revenue	2	198,745	139,752
Employee benefits expense		(222,000)	(217,500)
Occupancy expenses		(115,569)	(110,356)
Depreciation expense		(7,212)	(5,635)
Other expenses	3(a)	(209,185)	(166,117)
Aphrodite Gold Project expenses		(92,808)	-
Exploration expenditure written off	3(b)	(3,585)	(146,062)
Impairment of financial assets	3(b)	(2,500)	(151,250)
(Loss) before Income Tax		**(454,114)**	**(657,168)**
Income Tax Expense	4	-	**-**
(Loss) for the Year		**(454,114)**	**(657,168)**
Other Comprehensive Income			
Net gain on revaluation of financial assets		639,654	-
Reversal of impairment loss previously recognised		55,000	**-**
Income tax relating to components of other comprehensive income		-	**-**
Other Comprehensive Income for the Year		**694,654**	
Total Comprehensive Income/(Loss) for the Year attributable to members		**240,540**	**(657,168)**
Basic and diluted (loss) per share	**18**	**(0.010)**	**(0.015)**

The accompanying notes form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION
As at 30 June 2010

	Note	2010 $	2009 $
Current Assets			
Cash and cash equivalents	6	331,109	2,205,312
Other current assets	9	44,388	24,439
Total Current Assets		**375,497**	**2,229,751**
Non - Current Assets			
Other financial assets	11	1,848,905	91,250
Property, plant & equipment	12	13,269	7,676
Exploration and evaluation costs	13	2,136,822	1,815,783
Total Non - Current Assets		**3,998,996**	**1,914,709**
Total Assets		**4,374,493**	**4,144,460**
Current Liabilities			
Trade and other payables	10	43,050	53,557
Total Current Liabilities		**43,050**	**53,557**
Total Liabilities		**43,050**	**53,557**
Net Assets		**4,331,443**	**4,090,903**
Equity			
Issued capital	14	5,499,754	5,499,754
Reserves		694,654	44,000
Accumulated losses		(1,862,965)	(1,452,851)
Total Equity		**4,331,443**	**4,090,903**

The accompanying notes form part of the Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2010

	Note	2010 $	2009 $
Cash flows from operating activities			
Payments to suppliers		(670,017)	(537,448)
Interest received		31,972	139,752
Receipts from related parties		166,773	-
Cash flows (used in) operating activities	16	**(471,272)**	**(397,696)**
Cash flows from Investing activities			
Purchases of other financial assets		(1,065,502)	-
Exploration and evaluation costs		(324,624)	(426,704)
Purchases of property, plant and equipment		(12,805)	(4,966)
Cash flows (used in) investing activities		**(1,402,931)**	**(431,670)**
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Equity fund raising costs		-	-
Cash flows provided by financing activities		**-**	**-**
Net decrease in cash held		**(1,874,203)**	**(829,366)**
Cash at beginning of the year		**2,205,312**	**3,034,678**
Cash at end of the year	6	**331,109**	**2,205,312**

The accompanying notes form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2010

	Issued Capital $	Accumulated Losses $	Financial Assets Reserve $	Options Reserve $	Total $
2009					
Balance at beginning of the year	5,499,754	(795,683)	-	-	4,704,071
Comprehensive income/(loss) for the year	-	(657,168)	-	-	(657,168)
Subtotal	5,499,754	(1,452,851)	-	-	4,046,903
Options reserve	-	-	-	44,000	44,000
Balance at end of the year	**5,499,754**	**(1,452,851)**	**-**	**44,000**	**4,090,903**
2010					
Balance at beginning of the year	5,499,754	(1,452,851)	-	44,000	4,090,903
Comprehensive income/(loss) for the year	-	(454,114)	694,654	-	240,540
Subtotal	5,499,754	(1,906,965)	694,654	44,000	4,331,443
Transfer to accumulated losses on expiry of options	-	44,000	-	(44,000)	-
Balance at end of the year	**5,499,754**	**(1,862,965)**	**694,654**	**-**	**4,331,443**

The accompanying notes form part of the Financial Statements

Note 1: Statement of Significant Accounting Policies

This financial report includes the financial statements and notes of Eagle Eye Metals Limited ("the Company").

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the statement of comprehensive income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the statement of comprehensive income when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Office Furniture and Electronic equipment	5 – 40%

(c) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

ii *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Where the value of listed securities has increased the resultant gains are recognised in the other financial assets reserve. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(f) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(j) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Interests in Joint Ventures

Where applicable, the Company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements.

The Company's interests in joint venture entities are brought to account using the cost method.

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

The Company receives interest on funds deposited with its Bank, and brings this to account as revenue in the income statement using the effective interest rate method.

(m) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(n) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. An amount of $3,585 (2009: $146,062) was recognised as impairment loss in the statement of comprehensive income.

Key Judgments — Exploration and Evaluation Expenditure

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies have not yet concluded. Such capitalised expenditure is carried at Balance Date at $2,136,822.

(o) Adoption of New and Revised Accounting Standards

During the current year the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Eagle Eye Metals Limited.

AASB 8: Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Company's financial statements.

Measurement impact

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered. The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with intersegment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total Company operations, as this is how they are reviewed by the chief operating decision maker.

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker. This information is now disclosed as part of the financial statements.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Company's financial statements.

Disclosure impact

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement. The Company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

New Accounting Standards for Application in Future Periods

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Company's assessment of these new standards and interpretations is set out below:

New / revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Impact of new standard on the financial report	Likely impact
Accounting Standards					
AASB 9 Financial Instruments AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	AASB 139 Financial Instruments: Recognition and Measurement (part)	AASB 9 introduces new requirements for the classification and measurement of financial assets. AASB 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in AASB 139 and removes the impairment requirement for financial assets held at fair value.	31 December 2013	AASB 9 amends the classification and measurement of financial assets; the effect on the entity will be that more assets are held at fair value and the need for impairment testing has been limited to assets held at amortised cost only.	Unlikely to have significant impact.
AASB 124 Related Party Disclosures AASB 2009-12 Amendments to Australian Accounting Standards arising from AASB 124.	AASB 124 Related Party Disclosures	This revision amends the disclosure requirements for government related entities and the definition of a related party.	31 December 2011	Since the entity is not a government related entity; there is not expected to be any changes arising from this standard.	Unlikely to have significant impact in Australia.
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	N/a	Makes various amendments to a number of standards and interpretations in line with the IASB annual improvements project.	31 December 2010	Unlikely to have significant impact on the financial report.	Unlikely to have significant impact.

New / revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Impact of new standard on the financial report	Likely impact
AASB 2009-9 Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters	AASB 1 First Time adoption of Australian Equivalents to International Financial Reporting Standards (June 2007)	AASB 2009-9 makes amendments to ensure that entities applying Australian Accounting Standards for the first time will not face undue cost or effort in the transition process in particular situations.	31 December 2010	As this is not the first year of adoption of IFRSs, these amendments will not have any impact on the entity's financial report	No impact for entities who are applying IFRS.
AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues	AASB 132 Financial Instruments: Presentation	AASB 2009-10 makes amendments which clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all existing owners of the same class of its non-derivative equity instruments.	31 January 2011	As the entity does not have any rights, options or warrants to acquire their own equity instruments, these amendments will not have any impact on the entity's financial report.	Potentially significant if rights issues have been offered and denominated in foreign currency.
AASB 2009-13 Amendments to AASB 1 arising from Interpretation 19	Interpretation 19	This standard amends AASB 1 to allow a first-time adopter to use the transitional provisions in Interpretation 19.	30 June 2011	As the entity is not a first-time adopter of IFRS, this standard will not have any impact.	Unlikely to have significant impact.
AASB 2010-01 Limited exemption from comparative AASB 7 disclosures for first time adopters (Amendments to AASB 1 and AASB 7)	AASB 1: First-time adoption of Australian Accounting Standards AASB 7 Financial instruments: Disclosures	These amendments principally give effect to extending the transition provisions of AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments to first-time adopters of Australian Accounting Standards.	30 June 2011	As the entity is not a first-time adopter of IFRS, this standard will not have any impact.	Reduced disclosures for first-time adopters.
AASB 2010-02 Amendments to Australian Accounting Standards arising from reduced disclosure requirements	N/a	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.	30 June 2014	**The standard is not likely to have a significant impact on the financial report other than disclosure requirements.**	**1 July 2013**

New / revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Impact of new standard on the financial report	Likely impact
AASB 2010-03 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]	N/a	Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value. Requires an entity (in a business combination) to account for the replacement of the acquiree"s share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses. Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated. Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.	30 June 2011	**The standard is not likely to have a significant impact on the financial report other than disclosure requirements.**	**1 July 2010**
AASB 2010-04 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	**N/A**	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.	31 December 2011	The standard is not likely to have a significant impact on the financial report other than disclosure requirements.	1 July 2011
IFRS Annual Improvements 2010 (May 2010)	Various	Makes various amendments to a number of standards and interpretations.	Application dates either 30 June 2011 or 31 December 2011.	Unlikely to have significant impact on the financial report.	Varies depending on relevance; however impact is unlikely to be significant.

New / revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Impact of new standard on the financial report	Likely impact
Australian Accounting Interpretations					
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	N/A	This interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. These transactions are sometimes referred to as 'debt for equity swaps'.	30 June 2011	As the entity has not renegotiated any financial liabilities into equity instruments this interpretation is not expected to have any impact on the entity's financial report.	Significant if the entity has renegotiated any financial liabilities to equity instruments.
AASB 2009-14 Prepayments of a Minimum Funding Requirement (Amendments to Interpretation 14)	N/A	This amendment to Interpretation 14 addresses the unintended consequences that can arise from the previous requirements when an entity prepays future contributions into a defined benefit pension plan.	31 December 2011	As the entity does not have a defined benefit pension plan this amendment to Interpretation 14 is not expected to have any impact on the entity's financial report.	Unlikely to have significant impact.

(p) Going concern

The financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the year the Company incurred an operating loss of $454,114. Net cash outflow from operations was $471,272.

The Directors consider the basis of going concern to be appropriate for the following reasons:

1. The Company has, since listing on ASX in late 2006, operated on a program of income and expenditure designed to ensure that there are at all times sufficient cash funds in hand to continue operations for the foreseeable future, whilst at the same time developing the exploration of its mineral exploration projects in an effective manner.

2. Exploration efficiency has been achieved by focus upon the Company's gold and nickel projects in a prioritised manner, rather than by a blanket method, and by joint venturing out projects after the Company producing initial positive exploration results, so as to conserve funds whilst at the same time maintaining active exploration programs.

3. The Company's exploration projects are all located in the major gold and base metals mining Kalgoorlie/Leonora/Laverton region of Western Australia, where excellent infrastructure exists, enabling efficient and cost effective exploration.

4. With a relatively small issued capital, almost no debt, and by owning its investments in other public companies and all of its prospective exploration projects outright, the Company has the ability to raise funds via equity financing or other financial arrangements in relation to its mining industry assets.

5. The Company has, at balance date, $331,109 in cash and $1,848,905 of shares in companies which are listed on ASX. Should the need arise for further funding, these investments will be realised.

6. There exists a high likelihood that the Company's financial assets will increase substantially in value in the short term.

7. The Company intends to undertake capital raising activities over the next twelve months – refer to note 14(c)

Based simply on the Company's reduced cash position at balance date as a result of it making investments in other mining companies during the year, the Directors recognise that this represents a material uncertainty as to the Company's ability to continue as a going concern. Should this be the case, the Company may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts state in the financial report.

However, by taking to account these above opportunities and post balance date factors, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future.

		2010 $	2009 $
Note 2: Revenue			
Interest received		31,972	139,752
Fees received from a related party for funding assistance	(i)	39,800	-
Related party expenses reimbursed	(i)	126,973	-
(i) Refer to further details in Note 8			
Total Revenue		**198,745**	**139,752**

Note 3: Expenses

(a) Other Expenses

Consulting expenses	60,000	55,500
Administration expenses	149,185	110,617
Total Other Expenses	**209,185**	**166,117**

(b) Significant Expenses

Impairment of financial assets	2,500	151,250
Exploration expenditure written off	3,585	146,062
Total Significant Expenses	**6,085**	**297,312**

Note 4: Prima Facie Tax / (Benefit)

Prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	(136,234)	(197,150)
Add Tax effect:		
Non-allowable items	-	7,522
Deferred tax asset not brought to account	136,234	282,727
Impairment of investments	-	45,375

	2010 $	2009 $
Less Tax effect:		
Share issue expenses	-	(37,274)
Exploration and evaluation expenditure	-	(97,393)
Other non-assessable items	-	(3,807)
Income tax attributable to Company	-	-
Deferred tax balances not brought to account:		
Deferred tax assets:		
Tax losses – operating losses	1,314,508	1,042,108
Temporary differences	80,535	51,375
	1,395,043	**1,093,483**
Deferred tax liabilities:		
Temporary differences	849,443	548,542
	849,443	**548,542**
Net deferred tax assets not recognised	**545,600**	**544,941**

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that profits will be available against which deductable temporary differences and tax losses can be utilised.

Note 5: Key Management Personnel Compensation

(a) Names and position held by the Company's Key Management Personnel at any time during the financial year. All Key Management Personnel were Directors of the Company.

Wayne Ryder - Executive Chairman/Company Secretary
Warren Staude - Non-Executive Director
Garry Plowright - Non-Executive Director

(b) Details of remuneration for the year ended 30 June 2010

	Short Term	**Post Employment**	
Directors	**Salary and Fees $**	**Superannuation Contribution $**	**Total $**
Wayne Ryder	172,000	50,000	222,000
Warren Staude	60,000	-	60,000
Garry Plowright	60,000	-	60,000
Total	**292,000**	**50,000**	**342,000**

No other non-cash benefits were paid to Directors who held office during 2010 financial year.

Details of remuneration for the year ended 30 June 2009

Directors	Short Term Salary and Fees $	Post Employment Superannuation Contribution $	Total $
Wayne Ryder	121,500	96,000	217,500
Warren Staude	45,000	-	45,000
Garry Plowright	60,000	-	60,000
Total	**226,500**	**96,000**	**322,500**

No other non-cash benefits were paid to Directors who held office during 2009 financial year.

Options granted as part of remuneration for the period ended 30 June 2010.

No Options were granted as remuneration for the year ended 30 June 2010.

Shares Issued on Exercise of Compensation Options.

No Options have been granted as compensation during the 2010 financial year or in any prior years and accordingly no Options granted as compensation were exercised during the year.

(c) Option Holdings

Number of Options held by Key Management Personnel at 30 June 2010

Directors	Balance 1 July 2009	Lapsed	Balance 30 June 2010
Wayne Ryder	1,770,000	(1,770,000)	-
Warren Staude	600,000	(600,000)	-
Garry Plowright	1,060,000	(1,060,000)	-
	3,430,000	**(3,430,000)**	**-**

All Options lapsed on 30 June 2010 without being exercised.

Number of Options held by Key Management Personnel at 30 June 2009

Directors	Balance 1 July 2008	Disposed	Balance 30 June 2009
Wayne Ryder	1,770,000	-	1,770,000
Warren Staude	600,000	-	600,000
Garry Plowright	1,060,000	-	1,060,000
	3,430,000	**-**	**3,430,000**

All Options were vested and exercisable.

(d) Share Holdings

Number of Shares held by Key Management Personnel at 30 June 2010

Directors	Balance 1 July 2009	Acquired	Balance 30 June 2010
Wayne Ryder	7,348,193	801,807	8,150,000
Warren Staude	600,000	-	600,000
Garry Plowright	1,060,000	-	1,060,000
	9,008,193	**801,807**	**9,810,000**

Number of Shares held by Key Management Personnel at 30 June 2009

Directors	Balance 1 July 2008	Acquired	Balance 30 June 2009
Wayne Ryder	4,120,000	3,228,193	7,348,193
Warren Staude	600,000	-	600,000
Garry Plowright	1,060,000	-	1,060,000
	5,780,000	**3,228,193**	**9,008,193**

Apart from the details shown in this note, no Director has entered into a material contract with the Company since the end of the previous financial year, and there were no material contracts involving Directors' interests at year end.

6. Cash and Cash Equivalents	**2010 $**	**2009 $**
National Australia Bank		
- Cash at bank and in hand	29,771	30,312
- Short term bank deposit	301,338	2,175,000
Balance at end of the year	**331,109**	**2,205,312**
Effective interest rate on short term bank deposits	4.25%	5.00%
Average maturity of short term bank deposits	30 days	80 days

7. Auditor's Remuneration	**2010 $**	**2009 $**
Remuneration of Grant Thornton Audit Pty Ltd for:		
– auditing and reviewing the financial report	22,294	28,520
Amounts paid to related practice of auditor for:		
– taxation services	6,515	2,000

8. Related Parties Transactions	2010 $	2009 $
Director's fees paid to W. Ryder & Co, an entity in which Director Wayne Ryder has an interest	36,000	36,000
Executive Director's salary paid to W. Ryder & Co, an entity in which Director Wayne Ryder has an interest	94,000	48,000
Company Secretary's fees paid to W. Ryder & Co, an entity in which Director Wayne Ryder has an interest	42,000	37,500
Superannuation paid to Ryder Super Fund, an entity in which Director Wayne Ryder has an interest	50,000	96,000
Director's fees paid to Digital Mapping Services Pty Ltd, a company in which Director Garry Plowright has an interest	30,000	30,000
Consulting fees paid to Digital Mapping Services Pty Ltd, a company in which Director Garry Plowright has an interest	30,000	30,000
Director's fees paid to Serrasalmin Investments Pty Ltd, an entity in which Director Warren Staude has an interest	30,000	30,000
Consulting fees paid to Serrasalmin Investments Pty Ltd, an entity in which Director Warren Staude has an interest	30,000	15,000
Consulting and other expenses reimbursed from Aphrodite Gold Limited, a company which Wayne Ryder and Warren Staude are both Directors of.	166,773	-

A total of $1,670,000 was advanced to Aphrodite Gold Limited during the period, $995,000 of this advance was converted to shares in Aphrodite Gold Limited, and the remainder was reimbursed during the year.

Transactions between related parties are on normal commercial conditions and are no more favourable than those available to other parties unless otherwise stated.

9. Other Current Assets	2010 $	2009 $
FBT receivable	8,573	-
GST receivable	18,616	18,439
Security deposit	6,000	6,000
Pre-paid expenses	11,199	-
	44,388	**24,439**

10. Trade and Other Payables	2010 $	2009 $
Trade creditors and accruals	**43,050**	**53,557**

All creditors are on normal commercial trade terms, payable within 14-30 days

11. Financial Assets	2010 $	2009 $
Available for sale financial assets – shares in listed corporations at fair value	1,848,905	91,250
Balance at end of the year	**1,848,905**	**91,250**

Available-for-sale financial assets consist of investments in ASX listed companies ordinary shares, and therefore have no fixed maturity date or coupon rate. The fair value of listed available-for-sale financial assets has been determined directly by reference to published price quotations in an active market. This resulted in a net gain on revaluation of $694,654 for the 2010 financial year.
For the 2009 financial year, due to the significant and prolonged decline in the market price of the investments, an impairment charge of $151,250 has been included within the relevant line in the statement of comprehensive income.

During the year, the share price of a listed investment held by the Company increased. An amount of $55,000, representing a reversal of an impairment loss included in the prior year was recognised through the statement of comprehensive income.

12. Property, Plant and Equipment	2010 $	2009 $
Office furniture and electronic equipment – at cost	28,195	15,930
Less – accumulated depreciation	(14,926)	(8,254)
Written down value at end of the year	**13,269**	**7,676**

(a) Movements in Carrying Amounts

Movement in the carrying amount for office furniture and electronic equipment between the beginning and the end of the financial year.

Balance at the beginning of the year – 1 July 2008	8,345
Additions	4,966
Disposals	(2,413)
Depreciation	(3,222)
Balance at the end of the year – 30 June 2009	**7,676**
Balance at the beginning of the year – 1 July 2009	7,676
Additions	12,805
Disposals	
Depreciation	(7,212)
Balance at the end of the year – 30 June 2010	**13,269**

13. Exploration and Evaluation Costs	2010 $	2009 $
Balance at beginning of the year	1,815,783	1,491,141
Expenditure incurred during the year	324,624	470,704
	2,140,407	1,961,845
Less – expenditure written off	(3,585)	(146,062)
Balance at the end of the year	**2,136,822**	**1,815,783**

Expenditure of $3,585 (2009 $146,062) has been written off during the year as the Company will not be undertaking any further exploration of these areas.

The Directors' assessment of the carrying amount for the Company's exploration properties was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Company's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Company's interests in these exploration properties for an amount at least equal to the carrying value. Should any exploration properties be established as non-viable commercially, the Company will then either on sell or abandon them and write off the expenditure incurred thereon to profit and loss. There may exist on the Company's exploration properties areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Company's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

14. Issued Capital	2010 $	2009 $
44,010,000 (2009: 44,010,000) fully paid Ordinary Shares	**5,499,754**	**5,499,754**

(a) Ordinary Shares	No. Of Shares	No. of Shares
Number at beginning of the year	44,010,000	44,010,000
Number issued during the year	-	-
Number at the end of the year	**44,010,000**	**44,010,000**

The Company's capital consists of Ordinary Shares. The Company has no authorised capital. The Shares have no par value and are entitled to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of Shares held. At Shareholders meetings each Ordinary Share is entitled to one vote when a poll is called, otherwise each Shareholder has one vote on a show of hands.

(b) Options Issued	2010 No. Of Options	2009 No. of Options
Number at beginning of the year	41,565,000	37,565,000
Number issued during the year	-	4,000,000
Number lapsed on 30 June 2010	41,565,000	-
Number at the end of the year	**-**	**41,565,000**

All 41,565,000 Options over unissued Shares exercisable on or before 30 June 2010 at an exercise price of 20 cents each lapsed. The 4,000,000 Options issued during the 2009 were issued at market value of 1.1 cent each, total $44,000, which was transferred to an Options Reserve. With all Options having lapsed, the Options Reserve was written back against Accumulated Losses at 30 June 2010.

(c) Capital Management

The Board of Directors policy is to control the capital of the Company in the interests of Shareholders so that sufficient funds are available to effectively pursue the exploration and development of the Company's exploration properties; to enable prompt payment of the Company's costs and debts incurred in pursuit of those objectives; to maintain very low debt levels and no borrowings; and to maintain substantial (relative to the Company's size and share structure) cash reserves and readily cashable assets to enable participation in worthwhile new exploration and mining projects that may become available. During the 2010 financial year the Company invested a substantial part of its cash reserves in to Shares and Options in Aphrodite Gold Limited, resulting in it being in a position where it will need to either raise additional equity funds/borrowings or sell off its investments in ASX listed companies to be in a position to effectively continue operations. The Directors, in consultation with the Company's Brokers and financial advisers, are presently considering the various means of raising additional funds for the Company and will adopt the most effective and beneficial means available.

(d) Reserves

The Options Reserve records money received for listed options that are not yet exercised.

The financial asset reserve records revaluation of financial assets.

15. Segment Reporting

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed on the basis that it is a mineral exploration company operating in the geographical region of Australia. The mineral assets held via outright ownership or joint venture are considered one business segment, and the minerals currently being targeted include gold and nickel in Western Australia.

16. Cash Flow Information

	2010 $	**2009 $**
Reconciliation of cash flow from operations with loss after income tax		
(Loss) after income tax.	(454,114)	(657,168)
Non-cash flows in loss:		
Depreciation	7,212	5,635
Impairment of financial assets	2,500	151,250
Exploration expenditure written off	3,585	146,062
Changes in assets and liabilities		
(Increase) in trade and other receivables	(19,949)	(13,739)
(Decrease)/Increase in trade payable and accruals	(10,506)	(29,736)
Cash flows used in operations	**(471,272)**	**(397,696)**

17. Financial Risk Management

a. **Financial Risk Management Policies**

The Company's financial instruments consist mainly of deposits with banks and investments in ASX listed companies.

i. **Financial Risk Exposures and Management**

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

Interest rate risk

Interest rate risk on funds the Company has on deposit is managed by regular review by the Board to ensure maximum available rates are being received.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised cash funds are held at bank to cover all forecast outgoings.In this regard the Company will seek to raise additional funds in the short term as set out in Note 14(c) Capital Management.

Credit risk

Credit risk is managed and reviewed regularly by the Board. It arises from exposures through certain derivative financial instruments and deposits with financial institutions.

The Board monitors credit risk by only utilising banks with an "A" rating and investing only in ASX listed companies. Investments in ASX listed available-for-sale financial assets are reviewed by the Board regularly to minimise risk.

Price risk

The Company may be exposed to commodity price risk in the future through its gold, nickel, cobalt and other base metals exploration projects, should any of these be developed through to the production phase. In particular, the Company Limited is working towards developing the Waite Kauri nickel/cobalt project near Leonora in the N-E Goldfields of Western Australia. Should this project go into production, the operation's profitability will be subject to fluctuations in the prices of nickel and cobalt. These prices have fluctuated considerably over the past two years, and prior to production commencing the Company will consider implementing a hedging policy, or the Company may opt to not participate or reduce its participation in the production phase and the risks involved therein by selling the project or joint venturing out a part thereof so thet the Company's retained interest will involve none or readily manageable expenditure.

b. **Financial Instruments**

ii. **Financial instrument composition and maturity analysis:**

The tables below shows the Company's Financial Assets and Financial Liabilities and the weighted interest rate average received on deposits.

	Weighted Average Interest Rate 2010 %	Interest Bearing 2010 $	Non-Interest Bearing 2010 $	Total 2010 $
Financial Assets				
Cash at bank	4.25	29,771	-	29,771
Cash on deposit at bank	4.25	301,338	-	301,338
Available for sale financial assets	-	-	1,848,905	1,848,905
Total Financial Assets		**331,109**	**1,848,905**	**2,180,014**
Financial Liabilities				
Trade and other payables	-	-	43,050	43,050
Total Financial Liabilities		-	**43,050**	**43,050**

	Weighted Average Interest Rate 2009 %	Interest Bearing 2009 $	Non-Interest Bearing 2009 $	Total 2009 $
Financial Assets				
Cash at bank	5.00	30,312	-	30,312
Cash on deposit at bank	5.00	2,175,000	-	2,175,000
Available for sale financial assets	-	-	91,250	91,250
Total Financial Assets		**2,205,312**	91,250	**2,296,562**
Financial Liabilities				
Trade and other payables	-	-	53,557	53,557
Total Financial Liabilities		-	**53,557**	**53,557**

Cash on deposit at bank is at call and so there is no maturity or liquidity risk.

iii. **Net Fair Values**

The net fair value of financial assets and financial liabilities of the Company approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than ASX listed investments.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. The Company has no borrowings and all trade and other payables are due and are paid within a maximum of 30 days from receipt of agreed invoice.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

		2010		2009	
		Carrying Amount	**Net Fair Value**	**Carrying Amount**	**Net Fair Value**
Financial Assets					
Cash at bank	(i)	29,771	29,771	30,312	30,312
Cash on deposit at bank	(i)	301,338	301,338	2,175,000	2,175,000
Investments (available for sale)	(ii)	1,848,905	1,848,905	91,250	91,250
		2,180,014	2,180,014	2,296,562	2,296,562

Net Fair Values (cont)		2010		2009	
		Carrying Amount	**Net Fair Value**	**Carrying Amount**	**Net Fair Value**
Financial Liabilities					
At amortised cost:					
Trade and other payables	(i)	43,051	43,051	53,557	53,557
		43,051	**43,051**	**53,557**	**53,557**

The fair values in the above table have been determined based on the following methodology:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave which is not considered a financial instrument
(ii) For listed available-for-sale financial assets, closing quoted bid prices at the end of the reporting period are used.

Financial instruments measured at fair value
The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities;
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2010	Level 1	Level 2	Level 3	Total
Financial Assets				
Available for sale financial assets				
- Listed investments	1,848,905	-	-	1,848,905
	1,848,905	-	-	1,848,905

2009				
Financial Assets	Level 1	Level 2	Level 3	Total
Available for sale financial assets				
- Listed investments	91,250	-	-	91,250
	91,250	-	-	91,250

Included in Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

Fair values are materially in line with carrying values.

iv. Sensitivity Analysis

Interest Rate Risk and Price Risk

The Company has performed sensitivity analysis relating to its exposure to interest rate risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2010, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant , would be as follows:

	2010	**2009**
Increase/(decrease) in profit		
— increase in interest rate by 2%	6,000	44,000
— decrease in interest rate by 2%	(6,000)	(44,000)
Increase/(decrease) in equity		
— increase in interest rate by 2%	6,000	44,000
— decrease in interest rate by 2%s	(6,000)	(44,000)

Price Risk Sensitivity Analysis

At 30 June 2010, the effect on profit and equity as a result of changes in the ASX share market price of investments held, with all other variables remaining constant ,would be as follows:

	2010	2009
Increase/(decrease) in profit		
— increase in price by 10%	185,000	9,125
— decrease in price by 10%	(185,000)	(9,125)
Increase/(decrease) in equity		
— increase in price by 10%	185,000	9,125
— decrease in price by 10%	(185,000)	9,125

18. Earnings Per Share

	2010	**2009**
Basic profit/(loss) per Share	(0.010)	(0.015)
Profit/(loss) used in calculation of basic and diluted loss per Share	(454,114)	(657,168)
Weighted average number of Shares used in the calculation of the basic profit/(loss) per Share and diluted profit/(loss) per Share	44,010,000	44,010,000

Options have not been included in the calculation of diluted loss per Share as they had lapsed as at 30 June 2010, and for the 2009 financial year they were not dilutive in nature.

19. Capital and Lease Commitments

Exploration Expenditure Commitments

The Company is committed to minimum statutory exploration work requirements on its exploration tenements in order to retain the rights of tenure. These obligations can be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. Commitments are estimated to be as follows:

	2010	2009
Not later than 1 year	300,000	275,000
Later than 1 year, but not later than 2 years	300,000	275,000
Later than 2 years, but not later than 5 years	900,000	275,000
	1,500,000	**825,000**

Lease Commitments

The Company is committed to lease payments in respect of its office premises. The current Lease Agreement is on normal commercial terms with no abnormal restrictions. It is due to expire on 14 January 2011 unless renewed by mutual agreement, including as to term, conditions and rentals payable, prior to then. Minimum commitments are estimated as follows:

	2010	2009
Not later than 1 year	28,955	58,800
Later than 1 year and beyond	-	-
	28,955	**58,800**

20. Subsequent Events

No matter or circumstances of significance have arisen since balance date other than as detailed in the Directors' Report under the heading Matters Subsequent to the End of the Financial Year.

21. Company Details

The registered office of the Company is located at:
Eagle Eye Metals Limited
ABN 11 113 931 105
45 Ventnor Avenue
West Perth WA 6005

The Financial Report was authorised for issue on 30th September 2010 by a Resolution of the Board of Directors.

Shareholders Details

Substantial Shareholders at 6 September 2010 were:

Name	No. of Shares
Wayne Ryder – direct and indirect holdings	8,150,000

Spread of Shareholders

			No. of Holders	No. of Shares	% of total
1	-	1,000	56	11,235	.03
1,001	-	5,000	49	194,963	.44
5,001	-	10,000	122	1,106,071	2.51
10,001	-	100,000	307	12,258,596	27.85
100,001	-	and above	75	30,439,135	69.17
			609	**44,010,000**	**100.00**

Top 20 Shareholders

Top 20 Shareholders at 6 September 2010 were:

Name	No. of Shares	% of Total
Wayne Ryder and Ryder Super Fund – direct holdings	8,060,000	18.32
Jeffrey Reed	2,000,000	4.54
Donella Plowright	1,000,000	2.27
William D Goodfellow	1,000,000	2.27
Forty Traders Ltd	1,000,000	2.27
ABN Amro Clearing	998,178	2.26
Spiro & Jimmy Pty Ltd	688,500	1.56
Warren Staude	600,000	1.36
Peter A and JL Buttigieg	536,543	1.22
Bruce Birnie Pty Ltd	500,000	1.14
Brahma Finance BVI Pty Ltd	500,000	1.14
Paul Falkingham	476,000	1.08
Allwood Jackson Pty Ltd	400,000	.91
Jeffrey Anthony Reed	395,000	.90
Neale and Chad Johnson	350,000	.80
Jennifer Hilton	350,000	.80
Garry Ralston	343,447	.78
Dawnfield Investments Pty Ltd	310,000	.70
Christopher Sproule	304,142	.69
John Vernon Kelly	300,000	.68
	20,111,810	**45.69**

Eagle Eye Metals Limited

PROXY FORM

I/We..

of..

being a Member/Members of **EAGLE EYE METALS LIMITED**

HEREBY APPOINT………………………………………………………………………………………………....................

of……...........................

or failing him/her…………………………………………………………………………………………………..............

of……...........................

or failing him/her the Chairman of the Meeting as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11.00 a.m. on Friday 12 November 2010 and at any adjournment thereof.

SIGNED THIS DAY OF 2010

Signature of……………. ……………………..…………………………...............................(affix Common Seal)

Member(s)……… …....……………………………..……………………….................................(if a Corporation)

Proxy Directions and signing requirements:-

If you desire to direct your Proxy how to vote on any item place a mark in the appropriate space below.

			FOR	AGAINST
1.		To adopt the 2010 Annual Accounts		
2.		To re-elect Garry Plowright as a Director		
3.		To approve the Remuneration Report		

Notes:

To be effective, the Proxy and the Power of Attorney (if any) under which it is signed must be received at the Registered Office, 45 Ventnor Avenue, West Perth WA 6005, or by fax at (08) 9389 4400 or email to *info@eagleeyemetals.com* not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

If the Member is a Corporation the Proxy Form should be signed under Common Seal.