



EAGLE EYE

Metals Limited

ABN 11 113 931 105

HALF-YEAR REPORT

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

*This Half-Year Report should be read in conjunction with the Company's
Annual Report for the year ended 30 June 2010*

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EAGLE EYE METALS LIMITED
ABN 11 113 931 105

Corporate Information

This Report covers the activities of Eagle Eye Metals Limited ABN 11 113 931 105 for the half-year ended 31 December 2010. The Company's functional and presentation currency is Australian Dollars (AUD). A review of the Company's principal activities and operations is included in the Directors' Report at page 3. The Directors' Report is unaudited and does not form part of this Financial Report.

Directors

Wayne Ryder FCA FAICD MSME(U.S.) – Executive Chairman
Warren Staude BSc MSc MAusIMM FFin – Non-Executive
Garry Plowright – Non-Executive

Secretary

Wayne Ryder FCA

Registered and Operations Office

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Consulting Geologists

Townshend Mining
Leon Reisgys BSc(Hons) Grad Dipl FAusIMM MAIG – Senior Geologist
86 Aulberry Parade
Leeming WA 6149

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

Directors' Report

Your Directors are pleased to submit their Report for the half-year ended 31 December 2010.

The following were the Directors of the Company in office during the half-year under review and at the date of this Report:

Wayne Ryder – Executive Chairman
Warren Staude
Garry Plowright

PRINCIPAL ACTIVITIES

The Company's principal activities during the half-year were minerals exploration and investment in mineral exploration companies.

REVIEW OF INVESTMENT ACTIVITIES

Aphrodite Gold Limited Securities Float

Following its purchase of the Aphrodite Gold Project near Kalgoorlie, Western Australia from Apex Minerals NL for \$7,200,000, Aphrodite Gold Limited ("Aphrodite") successfully completed an Initial Public Offering to raise funds to develop the Project into early production. ASX listing of Aphrodite's Shares ("AQQ") and Options ("AQO") commenced in July 2010.

Eagle Eye is a substantial Shareholder in Aphrodite holding 11,950,000 Shares and 5,975,000 Options, and has two of its Directors on their Board, Chairman Warren Staude and Finance Director Wayne Ryder.

REVIEW OF EXPLORATION ACTIVITIES

Aphrodite Gold Project – M24/662, M24/681, M24/720, M24/779, M24/649 totaling 2,929 hectares

In consideration of technical and financial assistance provided in Aphrodite's formation and early development stages, Eagle Eye was granted an Option over 20% of the Aphrodite Gold Project.

The exercise price of the Option is cash equal to 20% of the purchase price and development costs of the project to the date of exercise, 30 June 2011.

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

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

In its December 2010 Quarterly Report Aphrodite advised that it had completed over 15,000 metres of RC and diamond core drilling since July 2010.

Drilling has produced high grade intersections, and Aphrodite is aiming for a revised JORC resource statement in the first quarter of 2011. Current JORC resource sits at 983,000 ounces of gold.

Directors' Report (cont.)

Little Doris Gold Project – M38/916 comprising 9 hectares

The Little Doris Project is located 55 km north of Laverton, Western Australia and 6km southeast of the Company's Erlistoun Project. Geological mapping and rock sampling were recently completed over the mining lease, which has potential for delineating high grade gold ore shoots.

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

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

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

Apollo Hill Gold Project – M39/296 comprising 24 hectares

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

The close proximity of the Company's lease, directly along strike from the Apollo Hill deposit, increases the likelihood of gold mineralisation extending into the project area. Exploration will initially involve a first pass aircore drilling program to allow better targeting of any subsequent RC and diamond drilling programs.

Waite Kauri Nickel-Cobalt Project – M37/1289 comprising 1,155 hectares

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

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

Driven by a positive outlook for nickel demand Eagle Eye has recently instigated a program to evaluate the Project for its sulphide nickel potential

International Geoscience recently completed a review of previous geophysical work conducted over the Project area. This involved interpreting the geophysical data and making recommendations for future programs over areas of interest.

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

Directors' Report (cont.)

Erlistoun Gold Project – M38/561 and P38/3780 totaling 550 hectares

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

Digitising of detailed geological mapping recently undertaken over the Project area was completed during the half-year.

A drilling program is planned in the western half of the Project where previous reconnaissance aircore drilling reported encouraging near surface gold results as well as identifying other areas of interest.

Other Gold Projects

As part of its emphasis on gold exploration, during the half-year the Company continued to work up exploration programs for its other 4 highly prospective gold projects in the Leonora-Laverton region:

- 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.
- Wandry Well – P31/1990 comprising 90 hectares.

FINANCIAL RESULTS

For the half-year the Company recorded a net loss after tax from operating and exploration activities of \$375,362 (2009: \$173,469). Movements in the value of financial assets produced a net Reserves movement of \$407,647 (2009 gain: \$179,724), resulting in a total Comprehensive Loss of \$706,204 (2009 income: \$6,255).

Exploration expenditure capitalised amounted to \$157,587 (2009: \$118,656).

ASSETS POSITION AND NET TANGIBLE ASSET BACKING (EXCLUDING CAPITALISED EXPLORATION EXPENDITURE) PER SHARE

At 31 December 2010 the Company was in a sound assets position, with its substantial shareholding in Aphrodite Gold Limited and all of its mining Projects owned outright, low debt and a relatively small issued capital base that will allow for substantial equity fund raising.

However, the Company's cash position was low, and so it has subsequently embarked upon a fund raising program to enable it raise sufficient funds to develop its existing and potential new interests in the mining industry. Refer to Subsequent Events below in this Directors' Report.

Net Tangible Asset backing per Share, excluding capitalized Exploration Expenditure, at the end of the half-year under review was 3.0 cents per share (2009: 4.9 cents per share).

CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the half-year under review.

Directors' Report (cont.)

SUBSEQUENT EVENTS

Since the end of the half-year under review the Company has entered into a Memorandum of Understanding with Birimian Gold Limited ("Birimian") whereby Eagle Eye will Offer to acquire a 100% shareholding interest therein. Birimian holds interests in several gold mining exploration areas in West Africa, principally in Mali.

Eagle Eye will Offer 42,855,000 fully paid Shares on a 3:1 basis to acquire 14,285,000 (100%) Shares in Birimian.

The Offer is subject to the completion of satisfactory Due Diligence enquiries, the approval of Eagle Eye Shareholders in General Meeting and the acceptance of the Offer by Birimian Shareholders.

Eagle Eye is also in the advanced stages of negotiation to appoint a Broker to manage the Company's fund raising program, aimed to raise new equity funds of between \$4,500,000 and \$8,500,000. The amount of fund raisings will depend upon cash requirements to effectively develop the Company's existing mining interests, as well as those held by Birimian should the above Offer be accepted by their Shareholders.

Other than the matters referred to above, no matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is set out on page 7 and forms part of the Directors' Report for the half-year ended 31 December 2010.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS OF EAGLE EYE METALS LIMITED



WAYNE RYDER
DIRECTOR

Dated at West Perth this 16th day of March 2011

Competent Person Declaration

The information in this Report that relates to Exploration Result and Mineral Resources is based on information compiled by Leon Reigys of Townshend Mining Pty Ltd, who is a fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) and a member of The Australian Institute of Geoscientists (AIG). Mr Reigys has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration, Mineral Resources and Ore Reserves". He consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

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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 review of Eagle Eye Metals Limited for the half-year ended 31 December 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J W Vibert
Director - Audit & Assurance

Perth, 16 March 2011

Statement of Comprehensive Income
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31 Dec 2010 \$	31 Dec 2009 \$
REVENUE		
Interest received	2,618	21,493
Other income	7,736	39,800
	-----	-----
TOTAL INCOME	10,354	61,293
	-----	-----
EXPENSES		
Employee benefits expense	132,500	90,000
Occupancy expenses	50,254	62,182
Depreciation and fixed assets written off	3,239	2,752
Other expenses	93,598	113,429
Exploration expenditure written off	-	43,424
Impairment of financial assets	29,500	-
	-----	-----
TOTAL EXPENSES	309,091	311,787
	-----	-----
NET (LOSS) BEFORE INCOME TAX	(298,737)	(250,494)
	-----	-----
INCOME TAX (EXPENSE)/BENEFIT	(77,025)	77,025
	-----	-----
(LOSS) AFTER INCOME TAX	(375,762)	(173,469)
	-----	-----
OTHER COMPREHENSIVE (LOSS)/INCOME		
Net (loss)/gain on revaluation of financial assets	(399,911)	256,749
Transfer of realised gain to other income	(7,736)	-
Income tax relating to components of other comprehensive income	77,205	(77,025)
	-----	-----
OTHER COMPREHENSIVE (LOSS)/INCOME	(330,442)	179,724
	-----	-----
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE HALF-YEAR	(706,204)	6,255
	=====	=====
Earnings per share for loss attributable to ordinary equity holders:		
Basic earnings per share	(0.009)	(0.004)

The statement of comprehensive income is to be read in conjunction with the notes to the half-year financial report.

Statement of Financial Position

AS AT 31 DECEMBER 2010

	Note	31 Dec 2010 \$	30 Jun 2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents		15,912	331,109
Other current assets		22,860	44,388
Total Current Assets		38,772	375,497
Non-Current Assets			
Financial assets	4	1,394,659	1,848,905
Property, plant and equipment		10,028	13,269
Exploration and evaluation costs	5	2,294,409	2,136,822
Total Non-Current Assets		3,699,096	3,998,996
TOTAL ASSETS		3,737,868	4,374,493
LIABILITIES			
Current Liabilities			
Trade and other payables		112,809	43,050
Total Current Liabilities		112,809	43,050
TOTAL LIABILITIES		112,809	43,050
NET ASSETS		3,625,059	4,331,443
EQUITY			
Issued capital		5,499,754	5,499,754
Reserves		364,032	694,654
Accumulated losses		(2,238,727)	(1,862,965)
TOTAL EQUITY		3,625,059	4,331,443

The statement of financial position is to be read in conjunction with the notes to the half-year financial report.

Statement of Changes in Equity
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Ordinary Share Capital \$	Accumulated Losses \$	Financial Assets Reserve \$	Options Reserve \$	Total \$
Balance at 1 July 2009	5,499,754	(1,452,851)	-	44,000	4,090,903
(Loss) for the period	-	(173,469)	-	-	(173,469)
Other comprehensive income for the period	-	-	256,749	-	256,749
Income tax relating to components of other comprehensive income	-	-	(77,025)	-	(77,025)
Balance at 31 December 2009	5,499,754	(1,626,320)	179,724	44,000	4,097,158
Balance at 1 July 2010	5,499,754	(1,862,965)	694,654	-	4,331,443
(Loss) for the period	-	(375,762)	-	-	(375,762)
Other comprehensive (loss) for the period	-	-	(407,647)	-	(407,647)
Income tax relating to components of other comprehensive income	-	-	77,025	-	77,025
	5,499,754	(2,238,727)	364,032	-	3,625,059

The statement of changes in equity is to be read in conjunction with the notes to the half-year financial report.

Statement of Cashflows
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31 Dec 2010 \$	31 Dec 2009 \$
Cash flows from operating activities		
Interest received	2,618	21,493
Payments to suppliers and employees	(185,064)	(261,942)
	-----	-----
Cash flows (used in) operating activities	(182,446)	(240,449)
	-----	-----
Cash flows from investing activities		
Exploration and tenement costs	(157,587)	(162,081)
Purchases of property, plant and equipment	-	(7,185)
Purchases of financial assets	-	(50,000)
Sales of financial assets	24,836	-
	-----	-----
Cash flows (used in) investing activities	(132,751)	(219,266)
	-----	-----
Cash flows from financing activities		
Loans provided to related parties	-	(1,670,000)
Loan repaid by related parties	-	470,000
	-----	-----
Cash flows (used in) financing activities	-	(1,200,000)
	-----	-----
Net (decrease) in cash and cash equivalents	(315,197)	(1,659,715)
	-----	-----
Cash and cash equivalents at the beginning of the half-year	331,109	2,205,312
	-----	-----
Cash and cash equivalents at the end of the half-year	15,912	545,597
	=====	=====

The statement of cashflows is to be read in conjunction with the notes to the half-year financial report.

Notes to the Financial Report **FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Eagle Eye Metals Limited (“the Company”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2010, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

(a) New or revised Standards and Interpretations that are first effective in the current reporting period

The Company has adopted the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

Impact of new and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Group include:

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

In December 2009, the AASB issued AASB 9 Financial Instruments which addresses the classification and measurements of financial assets and is likely to affect the Company’s accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Company is yet to assess its full impact. However, initial indications are that it will have no impacts on the Company’s financial statements. The Company has yet to decide when to adopt AASB 9.

Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

AASB 2009-5 Introduces amendments to Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognized assets in the statements of cash flows and the classification of leases of land and buildings.

The adoption of these amendments, have not resulted in any material changes to the Company’s accounting policies and have no effect on the amounts reported for the current or prior periods.

Notes to the Financial Report FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

(b) Deferred Tax

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 deductible temporary differences and tax losses can be utilised.

2. GOING CONCERN

The financial statements for the half-year 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 half-year the Company incurred an operating loss of \$375,762. Net cash outflow from operations was \$182,446.

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, low 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, \$1,394,659 in value of shares in companies which are either listed on ASX or are in the process of being listed. Should the need arise for further funding, these investments will be realised.
6. Since balance date, the Company has embarked upon a fund raising program, details of which are set out in Note 7.

Based simply on the Company's reduced cash position at balance date as a result of further exploration expenditure incurred on existing tenements, the Directors recognise that this represents a material uncertainty as to 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 stated in the financial report.

However, pending the successful completion of the proposed capital raisings noted above the directors are confident that the Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the accounts.

Notes to the Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

3. 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.

4. FINANCIAL ASSETS

	31 Dec 2010 \$	30 Jun 2010 \$
Available for sale financial assets at balance date consist of the following:		
Listed investments, at fair value (a)	1,394,659	1,848,905
	-----	-----
	1,394,659	1,848,905
	=====	=====

- (a) The fair value of listed shares has been determined directly by reference to published price quotations in an active market.

Due to the decline in the market price of the investments during the period, an amount of \$399,991 has been recognised in the statement of comprehensive income as a net loss on revaluation of financial assets.

5. EXPENDITURE COMMITMENTS

The Company has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company. The estimated amount of these commitments at 31 December 2010 to 30 June 2011 is \$235,000.

The Directors' assessment of the carrying amount of the mining tenements and exploration costs of all its exploration Projects was based on consideration of prevailing market conditions; previous expenditure carried out on the tenements; and the potential for mineralisation based on both the entity's and independent geologists' 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 those areas for an amount at least equal to the carrying value.

6. CONTINGENT LIABILITIES

There has been no material change to contingent liabilities since the last reporting date.

Notes to the Financial Report **FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

7. EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the half-year under review the Company has entered into a Memorandum of Understanding with Birimian Gold Limited (“Birimian”) whereby Eagle Eye will Offer to acquire a 100% shareholding interest therein. Birimian holds interests in several gold mining exploration areas in West Africa, principally in Mali.

Eagle Eye will Offer 42,855,000 fully paid Shares on a 3:1 basis to acquire 14,285,000 (100%) Shares in Birimian.

The Offer is subject to the completion of satisfactory Due Diligence enquiries, the approval of Eagle Eye Shareholders in General Meeting and the acceptance of the Offer by Birimian Shareholders.

Eagle Eye is also in the advanced stages of negotiation to appoint a Broker to manage the Company’s fund raising program, aimed to raise new equity funds of between \$4,500,000 and \$8,500,000. The amount of fund raisings will depend upon cash requirements to effectively develop the Company’s existing mining interests, as well as those held by Birimian should the above Offer be accepted by their Shareholders.

Other than the matters referred to above, no matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

No other matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

8. RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated. Transactions with related parties for the half-year were:-

- i) Salary, superannuation, accounting and secretarial fees were paid to Director/Secretary Wayne Ryder and entities associated with him amounting to \$132,500. (31 December 2009: \$135,000).
- ii) Consultancy fees were paid to Director Warren Staude and entities associated with him amounting to \$30,000 (31 December 2009: \$30,000).
- iii) Tenement maintenance service fees were paid to Director Garry Plowright and entities associated with him amounting to \$30,000 (31 December 2009: \$30,000).

Directors' Declaration

In the opinion of the Directors of Eagle Eye Metals Limited:

1. the financial statements and notes, as set out on pages 8 to 15, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the Company as at 31 December 2010 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporation Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a Resolution of the Directors.



WAYNE RYDER
DIRECTOR

Dated at West Perth this 16th day of March 2011

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

We have reviewed the accompanying half-year financial report of Eagle Eye Metals Limited (“Company”), which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration

Directors’ responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year 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 half-year financial report that is 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.

Auditor’s responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Eagle Eye Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eagle Eye Metals Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 2 and Note 7 in the financial report which indicates that the Company incurred a net loss of \$375,762 for the half-year ended 31 December 2010 and incurred net cash outflows from operations of \$182,446. These conditions, along with other matters as set forth in Note 2 and Note 7 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 stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J W Vibert
Director - Audit & Assurance

Perth, 16 March 2011