



45 Ventnor Avenue, West Perth WA 6005  
PO Box 829, West Perth WA 6872  
Phone: (08) 9389 4450  
Fax: (08) 9385 4400  
Mobile: 0418 928 180  
info@eagleeyemetals.com  
ABN 11 113 931 105

27 June 2008

The Company Announcements Office  
Australian Securities Exchange

## **WAITE KAURI NICKEL/COBALT PROJECT JOINT VENTURE WITH POSEIDON NICKEL LIMITED**

The Company is pleased to announce the signing of a Heads of Agreement for a Joint Venture with Poseidon Nickel Limited ("Poseidon") over Eagle Eye's nickel/cobalt project located 43kms north-east of Leonora in the N-E Goldfields of Western Australia.

In essence the JV provides for:-

1. Poseidon will take an 80% interest in the project.
2. Eagle Eye will be free carried for its 20% remaining interest in the project, subject to point 3 below.
3. The first \$500,000 of the cost of the exploration programme will be entirely at Poseidon's expense, with any further cost above that to be shared in the ratio Poseidon 80% and Eagle Eye 20%, with Eagle Eye agreeing to refund to Poseidon its 20% proportion of costs above \$500,000 only when the ore resources are established and the decision to mine is taken.
4. Upon mining operations commencing, the parties will jointly fund in the ratio of their ownership all mining costs necessary to deliver ore to Poseidon for processing.
5. Poseidon will pay a 2% Net Smelter Royalty to Eagle Eye for all nickel and cobalt metals (or other intermediate) produced by Poseidon from its 80% share.
6. Poseidon will, in addition, have the right through an Offtake Agreement to purchase Eagle Eye's 20% of total production at the prevailing market rate.
7. Eagle Eye has an existing obligation to pay a Vendors Royalty of \$1 per tonne of ore processed which will be paid by the parties in the ratio of their respective interests. Eagle Eye may, at its election, convert its 20% interest to a non contributing interest which will entitle it to a 2% Net Smelter Royalty.

This Joint Venture marks a major step forward in Eagle Eye's development of its nickel/cobalt project that will, upon successful defining of ore resources, see potential processing of the ore by Poseidon without the need for Eagle Eye to establish its own processing plant and facilities.

This hand in glove type Joint Venture well fits the needs of both parties, with potential far reaching economic benefits flowing to Eagle Eye.

Further information will follow as the Joint Venture progresses.

Yours sincerely

**EAGLE EYE METALS LTD**

*Wayne Ryder*

**WAYNE RYDER**

Executive Chairman