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The Company Announcements Office
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JOINT VENTURE WITH POSEIDON NICKEL LIMITED

SUBSTANTIAL NICKEL/COBALT ORE RESOURCE DEFINED

Eagle Eye is pleased to announce a substantial nickel and cobalt Inferred Resource at its Waite Kauri Joint Venture project with Poseidon, located near Leonora in the N-E Goldfields of Western Australia.

Our Consulting Geologists report as follows:

“From exploration work undertaken by Eagle Eye to date we have completed a JORC compliant Inferred Resource calculation at the Waite Kauri Nickel/Cobalt laterite project.

Resource defined so far is **2.53Mt @ 0.7% Nickel and 0.05% Cobalt**, which equates to over **17,000t of contained Nickel and 1,520t of Cobalt**, calculated using a Surpac block model at a 0.5% Ni cut-off grade.

Details of the 10 laterite pods identified in this resource are listed in the table below:

Zone	Tonnes	% Ni	% Co
1	1,180,155	0.70	0.03
2	183,750	0.68	0.07
3	88,375	0.57	0.03
4	247,625	0.64	0.05
5	58,625	0.62	0.06
6	224,000	0.59	0.06
7	42,875	0.53	0.07
8	237,562	0.84	0.06
9	105,000	0.70	0.12
10	165,593	0.88	0.08
Total	2,533,560	0.70	0.05

Table 1: Waite Kauri Inferred Resource.

Using a 0.7% Nickel cut-off, the resource is **1.07Mt @ 0.85% Ni and 0.06% Cobalt**.

The JV Partners are presently conducting metallurgical testing of the ore and will soon undertake a processing trial of a 10t sample.

This will be followed up with further drilling to establish additional resource, especially in the Taranaki, Ruapehu and Kaikoura zones at Waite Kauri, which from exploration so far show that they well warrant more concentrated testing, and which have excellent potential to add significantly to the resource inventory.

The attached map of the Waite Kauri project shows the mineralised laterite corridor in relation to tenement boundaries and drilling coverage to date.

BM Geological Services Pty Ltd
Andrew Paterson B.Eng (hons) MAusIMM
Principal Geologist Perth”

We are comfortable in employing a cut off grade of 0.5% Nickel after considering the presence in the ore of very valuable Cobalt, currently selling at approx 4.5 times the price of Nickel, and which is readily recoverable in the processing of ore for Nickel.

The Joint Venture with Poseidon is proceeding very well in these early stages, with a strong degree of co-operation existing between the parties’ management and geologists.

Yours sincerely

Wayne Ryder

Executive Chairman

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Paterson of BM Geological Services, who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Paterson 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 Results, Mineral Resource and Ore Reserves”. Andrew Paterson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For further information please contact:

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Or consult Eagle Eye’s web site: www.eagleeyemetals.com

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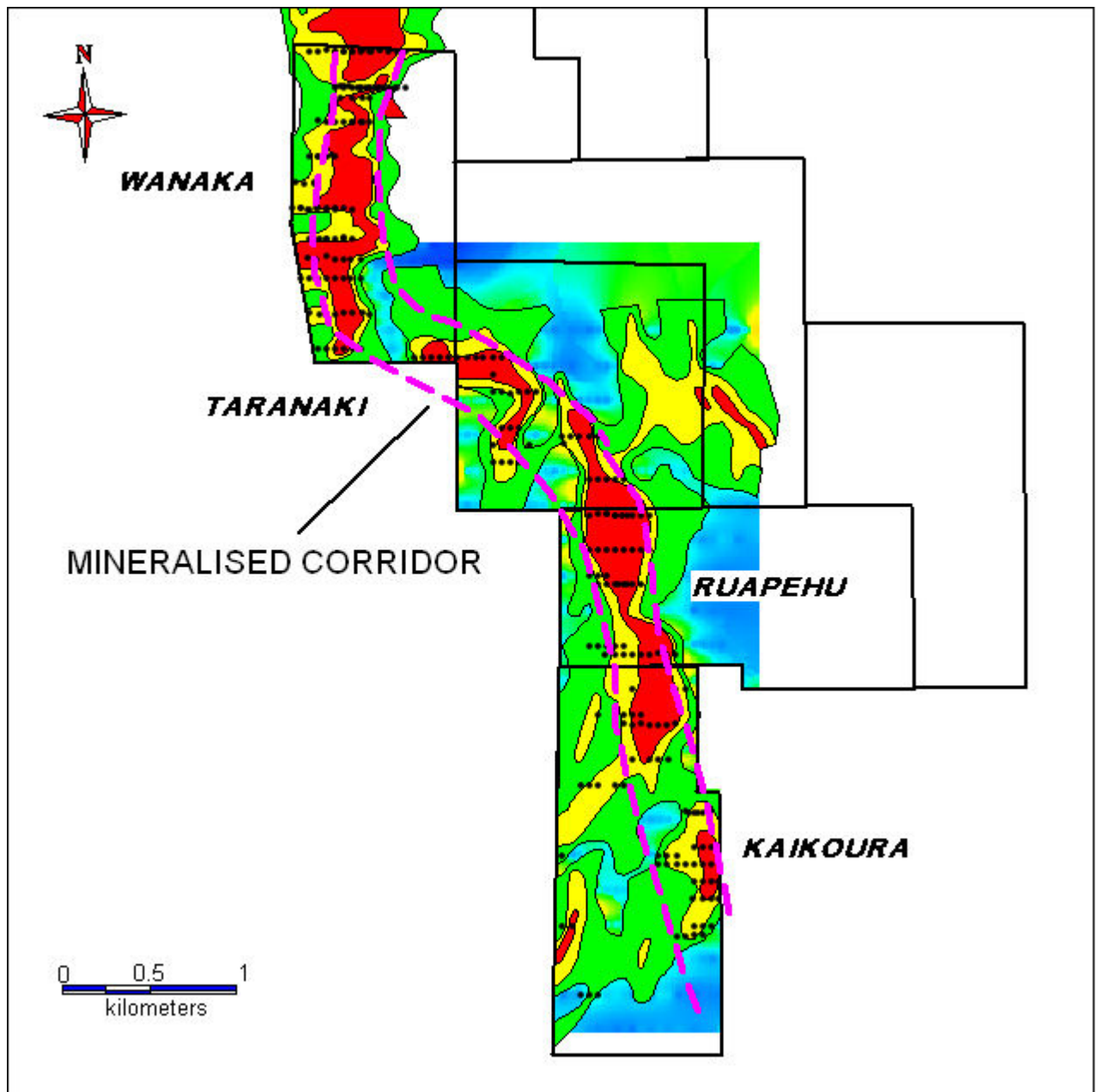


Figure 1: Eagle Eye Metals' Waite Kauri Project.