Eagle Eye Metals Limited

ABN 11 113 931 105

Financial Report
30 June 2011

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CORPORATE DIRECTORY

Directors
Mr. Hugh Bresser (Non Executive Chairman)
Mr. Kevin Joyce (Managing Director)
Mr. Wayne Ryder (Finance Director)
Mr. Warren Staude (Non Executive Director)
Mr. Michael Haynes (Non Executive Director)

Company Secretary
Mr. Nicholas Day

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5 Centro Avenue
Subiaco WA 6008
Australia
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Share Register
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Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000 Australia
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International: (61 8) 9323 2000
Facsimile: (61 8) 9323 2033

Stock Exchange Listing
Eagle Eye Metals Limited shares
are listed on the Australian Securities
Exchange, the home branch being Perth.
ASX Code: EYE

Auditors
Grant Thornton Audit Pty Ltd
Level 1
10 Kings Park Road
West Perth WA 6005

The Directors present their report for Eagle Eye Metals Limited ("Eagle Eye" or "the Company") and its subsidiaries for the year ended 30 June 2011.

DIRECTORS

The names, qualifications and experience of the Directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr. Hugh Bresser

Non Executive Chairman (appointed 25 May 2011)

Mr. Bresser has more than 18 years experience working in the resources industry. He holds an honours degree in Economic and Metalliferous Geology from James Cook University and an MBA from the Mt Eliza Business School, Melbourne.

Mr. Bresser spent more than ten years working with BHP Billiton, generating and evaluating exploration projects in a variety of commodities within Australia, Asia, Southern Africa and South America. He has held senior positions within BHP Billiton's Global Exploration Division, including three years in Exploration Global Strategy, Business Planning and Risk Management.

Mr. Bresser was also employed by BHP Billiton Iron Ore Group in a senior role, working on supply chain optimisation and new capital implementation. Mr. Bresser has previously held technical positions with Pancontinental Mining Ltd, Renison Goldfields Consolidated and Goldfields Ltd.

Mr. Bresser is Managing Director of Overland Resources Limited (appointed 2 June 2006).

Mr. Kevin Joyce (appointed 25 May 2011)

Managing Director

Kevin has approximately 17 years experience working in the resources industry. He holds an honours degree in geology from the University of Western Australia. He has worked extensively in Australia and Africa on a broad range of exploration, development and mining projects, primarily focused on gold.

Kevin has previously held technical positions with Renison Goldfields Consolidated, Goldfields Ltd, and Placer Dome Asia Pacific. More recent management positions have been with Agincourt Resources (Oz Minerals) and Resolute Mining Limited in Indonesia and West Africa.

Until recently, he was Exploration Manager in Mali for Resolute Mining, a position he held for approximately four years. During this time he was involved in a range of project generation, acquisition, and exploration initiatives in the West African countries of Mali, Burkina Faso and Cote d'Ivoire.

Mr. Joyce has not had any other Directorships of listed companies over the past three years.

Mr. Wayne Ryder

Finance Director

Mr. Ryder has an extensive track record in the mining resources sector over many years, including having held Directorships with a number of successful explorers and producers such as Forsayth Mineral Exploration, Condor Minerals & Energy (Mt Horner, Dongara WA oil field), Kitchener Mining (Bamboo Creek, WA gold mine), Great Eastern Mines (Aga Khan emerald mine at Cue, WA) and Lightning Ridge Mining (opal mining at Lightning Ridge, NSW).

He has spent considerable time in the United States, working from his own Coral Resources exploration headquarters in Denver, Colorado and New York where he was a member of the prestigious New York Mining Club. As a consequence, he has developed excellent associations with US based exploration groups, as well as key US capital market resource investors.

Mr. Ryder is the principal of long established Chartered Accounting and Corporate Advisory Firm W. Ryder & Co. His Firm's clients are based in Australia and several other countries, especially China, Hong Kong and the United States, and include south of France based Continental Industrie, a large dealer in mining equipment world-wide.

Mr. Ryder 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 of Mining, Metallurgy and Exploration in the United States.

Mr. Ryder is a Director of Aphrodite Gold Limited (appointed 14 August 2009).

Mr. Warren Staude
Non Executive Director
Mr. Staude has long term professional experience in mining and mineral exploration, resource investment and portfolio investment management.

During the 80's and 90's he was engaged in institutional investment management and research, working in AMP then following AMP's takeover of GIO he assumed a role establishing a specialist international resource equity investment fund and in assisting corporations in fund raising and with corporate advice. He also held board and management positions in a number of resource companies. Previously he has worked as a Consulting Geologist in both Government and industry, and on the academic staff at Macquarie University.

Mr. Staude is a Graduate of the University of Sydney (BSc, Geology), Macquarie University (MSc, Mineral Economics), and holds a Graduate Diploma from the Securities Institute of Australia. He is a member of the Financial Services Institute of Australia, the Australasian Institute of Mining and Metallurgy, and the Australian Institute of Company Directors and sits on the Joint Ore Reserves Committee (JORC).

Mr. Staude is the Chairman of minerals explorers Stonehenge Metals Ltd (appointed 7 September 2006) and Aphrodite Gold Ltd (appointed 14 August 2009) and a director of Frontier Resources Limited (appointed 31 December 2002). Mr. Staude was Chairman of Excelsior Gold Limited (appointed 27 November 2008, resigned 24 May 2011).

Mr. Michael Haynes (appointed 25 May 2011)
Non Executive Director
Mr. Haynes has more than 18 years experience in the mining industry. Mr. Haynes graduated from the University of Western Australia with an honours degree in geology and geophysics. He has been intimately involved in the exploration and development of resource projects, targeting a wide variety of commodities, throughout Australia and extensively in Southeast and Central Asia, Africa, North and South America, and Europe.

Mr. Haynes has held technical positions with both BHP Minerals Limited and Billiton plc. He ran his own successful consulting business for a number of years providing professional geophysical and exploration services to both junior and major resource companies. He has worked extensively on project generation and acquisition throughout his career. Over the past seven years he has been intimately involved in the incorporation and initial public offerings of several resources companies, and in the ongoing financing and management of these companies.

Mr. Haynes is the Chairman of Genesis Minerals Limited (appointed 4 July 2007), Overland Resources Limited (appointed 9 May 2005) and Coventry Resources Limited (appointed 27 October 2009) and is a Director of Black Range Minerals Limited (appointed 27 June 2005). Mr. Haynes was a Director of Bellamel Mining Limited (appointed 16 May 2007, resigned 31 December 2008).

Mr. Garry Plowright (resigned 19 August 2011)
Non Executive Director
Mr. Plowright'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 has 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.

Mr. Plowright 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.

Mr. Plowright has not had any other Directorships of listed companies over the past three years.

COMPANY SECRETARY
Mr Nicholas Day (appointed 25 May 2011)
Mr. Day has more than 15 years experience in corporate finance and the resources industry. In addition to his CFO and company secretarial skills he has experience in strategic planning, business development, acquisitions and mergers, bankable feasibility studies, and project development general management.

Mr. Day currently provides corporate consultancy advice and company secretarial services to Overland Resources Limited (appointed 22 June 2010), Coventry Resources Limited (appointed 22 June 2010) and Black Range Minerals Limited (appointed 22 June 2010). Previously he was CFO and Company Secretary of AIM & ASX listed mining company Albidon Ltd. Prior to this, Mr. Day was with Ernst & Young.

INTERESTS IN THE SECURITIES OF THE COMPANY
As at the date of this report, the interests of the Directors in the securities of the Company were:

Director	Ordinary Shares	Options over Ordinary Shares
H. Bresser	9,030,000	-
K. Joyce	10,230,000	-
W. Ryder	8,650,000	-
W. Staude	1,210,000	-
M. Haynes	9,480,000	-

RESULTS OF OPERATIONS
The Group's net loss after taxation attributable to the members of Eagle Eye Metals Limited for the year was $717,400 (2010: net loss after tax of $454,114).

DIVIDENDS
No dividend was paid or declared by the Company in the year since the end of the period and up to the date of this report.

CORPORATE STRUCTURE

Eagle Eye Metals Limited is a company limited by shares that is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration. The Group currently holds mining tenements for gold, nickel and other base metals. There have been no changes in the principle activities from prior years.

EMPLOYEES

The Group had 1 employee at 30 June 2011 (30 June 2010: 1 employee).

REVIEW OF OPERATIONS

During the year Eagle Eye Metals was transformed into a West African gold explorer by the acquisition of unlisted Birimian Gold Pty Limited. This exciting acquisition has provided the Company with substantial interests in several highly prospective gold projects in Mali and Liberia.

The Company has moved quickly to establish field offices and employ key in-country staff to support field operations in West Africa. Early stage evaluation work, including drilling, has commenced on all of our West African holdings. The Company is now in an excellent position to rapidly advance its existing assets and pursue other gold opportunities in West Africa.

The Company's maiden drilling program at the Dankassa Project in Mali returned highly encouraging results, suggesting significant lode gold potential within the Dankassa Project. Additional drilling is required to more fully evaluate the broader potential of this significant West African gold prospect.

Towards the end of the financial year the Company successfully completed a $3.4 million capital raising program to fund its exploration program in Mali and Liberia.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 31 December 2010, the Group announced that it had entered into a program to raise sufficient funds to enable it to effectively advance development of its gold and base metal interests.

On 9 March 2011, the Group announced it had entered into a memorandum of understanding to acquire 100% of the shares in Birimian Gold Pty Limited. The transaction involves the issue of 42,855,000 shares in Eagle Eye Metals Limited to Birimian Gold Pty Limited shareholders.

On 4 April 2011, the Company announced a 1:2 Renounceable Rights Issue to shareholders to raise $2.277 million.

On 8 April 2011, the Company announced that Macquarie Bank Limited had agreed to make a substantial direct equity investment in the Company. Macquarie Bank's Metals and Energy Capital Division had agreed to subscribe for $500,000 share equity in Eagle Eye at a price of $0.09 per share (5.56 million shares).

On 9 June 2011, the Group announced that it had commenced drilling at the Dankassa Gold Project in Mali, West Africa.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 6 July 2011, the Company announced the successful completion of a $3.4 million capital raising program. On 14 July 2011 the Group announced the successful completion of its inaugural drilling campaign.

On 22 August 2011, the Group announced the resignation of Non-executive Director Garry Plowright.

On 29 August 2011, the Group announced highly significant results returned from maiden drill program at Dankassa Gold Project, Mali, West Africa.

On 7 September 2011, the Group issued 3,000,000 Performance Rights to its Managing Director, Mr. Kevin Joyce.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future periods, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group carries out operations that are subject to environmental regulations under both Commonwealth and State legislation in Australia and West Africa. The Group has formal procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

SHARE OPTIONS

As at the date of this report and the reporting date, there were no options over ordinary shares.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made agreements indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

Name	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Hugh Bresser	0	0
Mr. Kevin Joyce	0	0
Mr. Wayne Ryder	6	6
Mr. Warren Staude	6	5
Mr. Michael Haynes	0	0
Mr. Garry Plowright	6	6

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.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Eagle Eye with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 50 of this report.

The following non-audit services were provided by the entity's auditor, Grant Thornton Audit Pty Ltd. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. The following fees were paid to Grant Thornton Audit Pty Ltd for non-audit services provided:

	$	**$**
	2011	**2010**
Taxation services	9,695	6,515

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of Eagle Eye Metals Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent entity, and includes five executives in the Parent and the Group receiving the highest remuneration.

Details of Key Management Personnel

Mr. Hugh Bresser	Non Executive Chairman – appointed 25 May 2011
Mr. Kevin Joyce	Managing Director – appointed 25 May 2011
Mr. Wayne Ryder	Finance Director
Mr. Warren Staude	Non Executive Director
Mr. Michael Haynes	Non Executive Director - appointed 25 May 2011
Mr. Garry Plowright	Non Executive Director – resigned 19 August 2011
Mr. Nicholas Day	Company Secretary – appointed 25 May 2011
Ms. Beverley Nichols	Chief Financial Officer – appointed 25 May 2011

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and management. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The lack of a performance link at this time is not considered to have a negative impact on retaining and motivating Directors.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of Directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter. The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

Since the year end Performance Rights have been issued to the Group's Managing Director, Mr. Kevin Joyce, under the Company's Performance Rights Plan. The terms and conditions of the Rights are that:

- 1,000,000 shares will vest once the Company's shares trade at $0.15 or more for twenty consecutive days on or before 30 June 2013.
- 1,000,000 shares will vest once the Company's shares trade at $0.20 or more for twenty consecutive days on or before 30 June 2013.
- 1,000,000 shares will vest once the Company's shares trade at $0.25 or more for twenty consecutive days on or before 30 June 2013.

The table below shows the performance of the Group as measured by earnings / (loss) per share since 30 June 2007:

As at 30 June	2011	2010	2009	2008	2007
Loss per share	(0.01)	(0.01)	(0.015)	(0.004)	(0.008)
Share price at reporting date (cents)	8	9	4	8	17

Details of the nature and amount of each element of the remuneration of each Director and Executive of the Company for the financial year are as follows:

	Short term			Share Based	Post		
2011	Base Salary	Directors Fees	Consulting Fees	Payments - Options	Employment Superannuation	Total	Option related
Director	$	$	$	$	$	$	%
Mr. Hugh Bresser*	-	-	5,000	-	-	5,000	-
Mr. Kevin Joyce*	-	-	20,000	-	-	20,000	-
Mr. Wayne Ryder	164,500	-	42,500	-	24,153	231,153	-
Mr. Warren Staude	-	60,000	-	-	-	60,000	-
Mr. Michael Haynes*	-	5,000	-	-	-	5,000	-
Mr. Garry Plowright**	-	60,000	-	-	-	60,000	-
Executive							
Mr. Nicholas Day*	-	-	5,500	-	-	5,500	-
Ms. Beverley Nichols*	-	-	3,250	-	-	3,250	-
	164,500	125,000	76,250	-	24,153	389,903	-

* Mr. Bresser, Mr. Joyce, Mr. Haynes, Mr. Day and Ms. Nichols were appointed on 25 May 2011
** Mr. Garry Plowright resigned on 19 August 2011

	Short term			Share Based	Post		
2010	Base Salary	Directors Fees	Consulting Fees	Payments - Options	Employment Superannuation	Total	Option related
Director	$	$	$	$	$	$	%
Mr. Wayne Ryder	172,000	-	-	-	50,000	222,000	-
Mr. Warren Staude	-	60,000	-	-	-	60,000	-
Mr. Garry Plowright	-	60,000	-	-	-	60,000	-
	172,000	120,000	-	-	50,000	342,000	-

There were no other executive officers of the Company during the financial years ended 30 June 2011 and 30 June 2010. No share options were issued as part of the remuneration to Directors. Share options are not subject to a performance hurdle as these options are issued as a form of retention bonus and incentive to contribute to the creation of shareholder wealth. There were no share options issued during the year or in the prior year.

Executive Directors and Key Management Personnel

Directors' and Executive's remuneration is stipulated in consulting services agreements between the Company and the Directors' and Executive's related entities. A summary of the key terms of the agreements are outlined below:

The Managing Director, Mr. Kevin Joyce, is employed under a consulting services agreement, which commenced on 25 May 2011 for a period of twenty four months unless extended by both parties. The agreement may be terminated by Mr. Joyce at any time by giving two months notice in writing, or such shorter period of notice as may be agreed. The Company may terminate the agreement earlier by paying all remuneration and entitlements up to the end of the expiry date of the contract or without notice in case of serious misconduct, at which time Mr. Joyce would be entitled to that portion of consulting fees services arising up to the date of termination. No additional Director's fees will be paid to Mr. Joyce in addition to the fees paid under the consulting agreement.

The Finance Director, Mr. Wayne Ryder, is employed under a consulting services agreement, which commenced on 25 May 2011 for a period of twenty four months unless extended by both parties. The agreement may be terminated by Mr. Ryder at any time by giving two months notice in writing, or such shorter period of notice as may be agreed. The Company may terminate the agreement earlier by paying all remuneration and entitlements up to the end of the expiry date of the contract or without notice in case of serious misconduct, at which time Mr. Ryder would be entitled to that portion of consulting fees services arising up to the date of termination. No additional Director's fees will be paid to Mr. Ryder in addition to the fees paid under the consulting agreement.

Mr. Hugh Bresser is paid an annual fee on a monthly basis. His services may be terminated by either party at any time.

The Company Secretary, Mr. Nicholas Day consults to the Company and is remunerated on a monthly basis. Mr. Day's services may be terminated by giving three months written notice.

The Chief Financial Officer, Ms. Beverley Nichols consults to the Company and is remunerated on a monthly basis. Ms. Nichols' services may be terminated by giving one month written notice.

Non-Executive Directors

Mr. Warren Staude and Mr. Michael Haynes are paid an annual Director's fee on a monthly basis. Their services may be terminated by either party at any time.

Service Agreements

The Group entered a service agreement for certain administrative services and office space for a term of one year with MQB Ventures Pty Ltd, a company of which Mr. Haynes is a Director. The Company is required to give three months written notice to terminate the agreement.

Signed on behalf of the board in accordance with a resolution of the Directors.

Wayne Ryder

Finance Director

30 September 2011

Competent Persons Declaration

The information in this report that relates to exploration results is based on information compiled by or under the supervision of Mr Kevin Anthony Joyce. Mr Kevin Anthony Joyce is Managing Director of Eagle Eye Metals Limited and a Member of the Australian Institute of Geoscientists. Mr Kevin Anthony Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Kevin Anthony Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate Governance Statement

The Board of Directors of Eagle Eye Metals Limited is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company has established a set of corporate governance policies and procedures. These are based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's Recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Company, refer to our website: www.eagleeyemetals.com.

Structure of the Board

The skills, experience and expertise of each Director in office at the date of the annual report are included in the Directors' Report. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

"An Independent Director is a Director who is not a member of management, is a non-executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another Group member;
- is not a significant consultant, supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another Group member other than as a Director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company."

In accordance with the definition of independence none of the Directors are considered independent.

There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Company's expense. Such advice is to be shared amongst other Directors.

The term in office held by each Director at the reporting date is as follows:

Name	Term in office
Mr. Hugh Bresser	1 month
Mr. Kevin Joyce	1 month
Mr. Wayne Ryder	6 years 2 months
Mr. Warren Staude	5 years 3 months
Mr. Michael Haynes	1 month

Nomination Committee

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. At such time when the Company is of sufficient size a separate Nomination Committee will be formed.

Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Company is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non financial-information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control.

Performance

The Board conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Company and hands on management style requires an increased level of interaction between Directors and Executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. The Board does not link the nature and amount of executive and Directors' emoluments to the Company's financial and operational performance.

For details of remuneration of Directors and Executives please refer to the Directors' Report.

The Board is responsible for determining and reviewing compensation arrangements for Directors and management. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Company is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

Assurance

The Finance Director and CFO periodically provide formal statements to the Board that in all material aspects:

- the Company's financial statements present a true and fair view of the company's financial condition and operational results; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

Corporate Governance Compliance

During the financial year the Company has complied with each of the 8 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Company does not have a majority of independent Directors.	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.2	The chairperson is not an independent director	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	The Company does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.
4.1 and 4.2	The Company does not have an Audit and Risk Management Committee	The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.
8.1	The Company does not have a Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Statement of Comprehensive Income *for the year ended 30 June 2011*

	Notes	Consolidated 2011 $	Consolidated 2010 $
Revenue			
Interest revenue		9,021	31,972
		9,021	**31,972**
Other income	4(a)	-	166,773
Employee benefits expense		(231,153)	(222,000)
Occupancy expenses		(107,974)	(115,569)
Depreciation expense		(6,356)	(7,212)
Other expenses	4(b)	(305,761)	(209,185)
Impairment of exploration costs	4(c)	(66,235)	-
Loss on sale of financial assets	4(c)	(8,942)	-
Aphrodite Gold Project expenses		-	(92,808)
Exploration expenditure written off	4(c)	-	(3,585)
Impairment of financial assets	4(c)	-	(2,500)
(Loss)/Profit before income tax		(717,400)	(454,114)
Income tax expense	5	-	-
Net (Loss)/Profit for the period		**(717,400)**	**(454,114)**
Other comprehensive income/(loss), net of tax			
Net (loss)/gain on revaluation of financial assets		(615,936)	639,654
Transfer of realised loss on sale of financial assets to expense		8,942	-
Reversal of impairment loss previously recognised		-	55,000
Foreign currency translation		4,026	-
Other comprehensive income for the year		(602,968)	694,654
Total comprehensive income/(loss) for the year		(1,320,368)	240,540
Loss per share:			
Basic loss per share (cents per share)	20	(1.43)	(1.03)
Diluted loss per share (cents per share)	20	(1.43)	(1.03)

These financial statements should be read in conjunction with the accompanying notes.

Statement of Financial Position *as at 30 June 2011*

	Notes	Consolidated	
		2011	2010
		$	$
CURRENT ASSETS			
Cash and cash equivalents	17(a)	2,307,229	331,109
Other current assets	6	84,604	44,388
		2,391,833	375,497
Current assets classified as held for sale	7	112,500	-
TOTAL CURRENT ASSETS		**2,504,333**	**375,497**
NON CURRENT ASSETS			
Available for sale financial assets	8	1,072,662	1,848,905
Property, plant and equipment	9	8,113	13,269
Exploration and evaluation expenditure	11	7,236,814	2,136,822
TOTAL NON CURRENT ASSETS		**8,317,589**	**3,998,996**
TOTAL ASSETS		**10,821,922**	**4,374,493**
CURRENT LIABILITIES			
Trade and other payables	12	112,783	43,050
Other creditors	13	184,049	-
TOTAL CURRENT LIABILITIES		**296,832**	**43,050**
NON CURRENT LIABILITIES			
Other creditors	13	396,413	-
TOTAL NON CURRENT LIABILITIES		**396,413**	**-**
TOTAL LIABILITIES		**693,245**	**43,050**
NET ASSETS		**10,128,677**	**4,331,443**
EQUITY			
Contributed equity	14	12,617,356	5,499,754
Reserves	16	91,686	694,654
Accumulated losses	15	(2,580,365)	(1,862,965)
TOTAL EQUITY		**10,128,677**	**4,331,443**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Cash Flows *for the year ended 30 June 2011*

	Notes	Consolidated	
		2011	2010
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(686,264)	(670,017)
Interest received		13,541	31,972
Other receipts		-	166,773
NET CASH FLOWS USED IN OPERATING ACTIVITIES	17(b)	(672,723)	(471,272)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of other financial assets		-	(1,065,502)
Cash acquired on acquisition of Birimian Gold Pty Ltd	29	387,845	-
Sale of other financial assets		160,308	-
Purchase of property, plant and equipment		(1,200)	(12,805)
Expenditure on exploration		(1,071,432)	(324,624)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(524,479)	(1,402,931)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction costs of issue of shares		(199,448)	-
Proceeds from issue of shares		3,370,100	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		3,170,652	-
Net increase / (decrease) in cash and cash equivalents		1,973,450	(1,874,203)
Cash and cash equivalents at beginning of year		331,109	2,205,312
Net foreign exchange differences		2,670	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	17(a)	**2,307,229**	**331,109**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity *for the year ended 30 June 2011*

Consolidated	Issued Capital $	Accumulated Losses $	Financial Assets Reserve $	Foreign Currency Translation Reserve $	Options Reserve $	Total $
At 1 July 2009	5,499,754	(1,452,851)	-	-	44,000	4,090,903
Loss for the year	-	(454,114)	-	-	-	(454,114)
Other comprehensive (loss)/profit	-	-	694,654	-	-	694,654
Total comprehensive (loss)/profit for the year	-	(454,114)	694,654	-	-	240,540
Transactions with owners in their capacity as owners						
Transfer to accumulated losses on expiry of options	-	44,000	-	-	(44,000)	-
At 30 June 2010	**5,499,754**	**(1,862,965)**	**694,654**	**-**	**-**	**4,331,443**
At 1 July 2010	5,499,754	(1,862,965)	694,654	-	-	4,331,443
Loss for the year	-	(717,400)	-	-	-	(717,400)
Other comprehensive (loss)/profit	-	-	(606,994)	4,026	-	(602,968)
Total comprehensive (loss)/profit for the year	-	(717,400)	(606,994)	4,026	-	(1,320,368)
Transactions with owners in their capacity as owners						
Transaction costs on share issue	(289,448)	-	-	-	-	(289,448)
Shareholder equity contribution	7,407,050	-	-	-	-	7,407,050
At 30 June 2011	**12,617,356**	**(2,580,365)**	**87,660**	**4,026**	**-**	**10,128,677**

These financial statements should be read in conjunction with the accompanying notes.

1. Corporate Information

The financial report of Eagle Eye Metals Limited ("Eagle Eye" or "the Company") and its subsidiaries ("the Group") for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 30 September 2011.

Eagle Eye Metals Limited is a public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Director's report.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on an accruals basis and is based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars.

(a) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

Changes in accounting policies and disclosures

The Group has adopted all of the new and amended Australian Accounting Standards and AASB Interpretations that became effective during the year. The adoption of the Standards or Interpretation did not have material impact on the financial statements of the Group.

New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2011, and no change to the Group's accounting policy is required.

Reference	Title	Summary	Application date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main	1 July 2013

Reference	Title	Summary	Application date for Group
		changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	► These amendments arise from the issuance of AASB 9 *Financial Instruments* that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. ► This Standard shall be applied when AASB 9 is applied.	1 July 2013
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	1 July 2011

Reference	Title	Summary	Application date for Group
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. In particular, it amends AASB 8 *Operating Segments* to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.	1 July 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this Standard) (b) The Australian Government and State, Territory and Local Governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities Public sector entities other than the Australian Government and State, Territory and Local Governments	1 July 2013

Reference	Title	Summary	Application date for Group
AASB 1054	Australian Additional Disclosures	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas: Compliance with Australian Accounting Standards The statutory basis or reporting framework for financial statements Whether the financial statements are general purpose or special purpose Audit fees Imputation credits	1 July 2011
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	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. Clarifies 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.	1 July 2011
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1 July 2011
AASB 2010-6	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	The amendments increase the disclosure requirements for transactions involving transfers of financial assets. *Disclosures* require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.	1 July 2011

Reference	Title	Summary	Application date for Group
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 July 2013
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]	This Standard amendments many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	1 July 2011
AASB 2011-2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project – Reduced disclosure regime [AASB 101, AASB 1054]	This Standard makes amendments to the application of the revised disclosures to Tier 2 entities, that are applying AASB 1053.	1 July 2013
*	Consolidated Financial Statements	IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.	1 July 2013

Reference	Title	Summary	Application date for Group
*	Joint Arrangements	IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly- controlled Entities – Non-monetary Contributions by Ventures. IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.	
*	Disclosure of Interests in Other Entities	IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	
*	Fair Value Measurement	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	

* The AASB has not issued this standard, which was finalised by the IASB in May 2011

The Group has not elected to early adopt any new Standards or Interpretations and is in the process of assessing the impact of these new standards and interpretations on the Group's future financial statements.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Eagle Eye Metals Limited and its subsidiaries as at 30 June each year ('the Group').

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Business combinations are accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(d) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the Statement of Financial Position. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(f) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) Property, plant and equipment

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

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. Repairs and maintenance expenditure is charged to the Statement of Comprehensive Income during the financial period in which it is incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	*Depreciation Rate*
Office furniture and electronic equipment	5 % to 40 %

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

Derecognition

Additions of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the Statement of Comprehensive Income.

Impairment

Carrying values of office furniture and electronic equipment are reviewed at each balance date to determine whether there are any objective indicators of impairment that may indicate the carrying values may be impaired.

Where an asset does not generate cash flows that are largely independent it is assigned to a cash generating unit and the recoverable amount test applied to the cash generating unit as a whole.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. The assessment of value in use considers the present value of future cash flows discounted using an appropriate pre-tax discount rate reflecting the current market assessments of the time value of money and risks specific to the asset. If the carrying value of the asset is determined to be in excess of its recoverable amount, the asset or cash generating unit is written down to its recoverable amount.

(h) Exploration and expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.
Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(i) Impairment of non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or categories of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(k) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(l) Revenue

Revenue is recognised and measured by the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(m) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(n) Goods and Services Tax

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.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the Statement of Financial Position.

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 is receivable from or payable to the ATO, are disclosed as operating cash flows.

(o) Investments in controlled entities

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequent to the initial measurement, investments in controlled entities are carried at cost less accumulated impairment losses.

(p) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Eagle Eye Metals Limited is Australian dollars. The functional currency of the overseas subsidiary is US dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Comprehensive Income, as part of the gain or loss on sale where applicable.

(q) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Leases are classified as operating leases where substantially all the risks and benefits remain with the lessor.

Payments in relation to operating leases are charged as expenses in the periods in which they are incurred.
Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Eagle Eye Metals Limited.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(t) 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 the end of each reporting period, 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 profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

(u) Equity Settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

3. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Functional currency translation reserve

Under the Accounting Standards, each entity within the Group is required to determine its functional currency, which is the currency of the primary economic environment in which the entity operates. Management considers the West African subsidiaries to be a foreign operation with US dollars as the functional currency. In arriving at this determination, management has given priority to the currency that influences the labour, materials and other costs of exploration activities as they consider this to be a primary indicator of the functional currency.

Classification of assets held for sale

The Group classifies assets as held for sale when the carrying amount will be recovered through a sale transaction. The assets must be available for immediate sale and the Group must be committed to selling the asset either through the entering into a contractual sale agreement or the activation and commitment to a program to locate a buyer and dispose of the assets.

Valuation of investments

The Group has decided to classify investments in listed securities as “available for sale” investments and movements in fair value are recognised directly in equity. The fair value of listed shares has been determined by reference to published price quotations in an active market.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer using a binomial model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted.

	Consolidated	
	2011	2010
	$	$
4. Other income and expenses		
(a) Other income		
Fees received from a related party for funding assistance	-	39,800
Related party expenses reimbursed	-	126,973
	-	166,773
(b) Other expenses		
Consulting expenses	143,846	110,410
Administration expenses	161,915	98,775
	305,761	209,185
(c) Significant expenses		
Impairment of financial assets	-	2,500
Impairment of exploration costs	66,235	-
Exploration expenditure written off	-	3,585
Loss on sale of financial assets	8,942	-
	75,177	6,085
(d) Lease payments		
Serviced office lease	53,455	53,455

5. Income Tax

	Consolidated 2011 $	Consolidated 2010 $
Current tax	-	-
Deferred tax	-	-
	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable tax rate is as follows:

	2011 $	2010 $
(Loss)/Profit from operations before income tax expense	(717,400)	(454,114)
Tax at the company rate of 30% (2010: 30%)	(215,220)	(136,234)
Expense of remuneration options	-	-
Other non deductible expenses	5,928	-
Income tax benefit not brought to account	209,292	136,234
Income tax expense	-	-

(c) Deferred tax

Statement of financial position

The following deferred tax balances have not been brought to account:

	2011 $	2010 $
Liabilities		
Capitalised exploration and evaluation expenditure	-	-
Temporary differences	729,262	849,443
Offset by deferred tax assets	(729,262)	(849,443)
Deferred tax liability recognised	-	-
Assets		
Losses available to offset against future taxable income	1,615,541	1,314,508
Temporary differences	51,467	80,535
	1,667,008	1,395,043
Deferred tax assets offset against deferred tax liabilities	(729,262)	(849,443)
Deferred tax assets not brought to account as realisation is not regarded as probable	(937,746)	(545,600)
Deferred tax asset recognised	-	-
Unused tax losses	3,125,823	1,818,667
Potential tax benefit not recognised at 30% (2010: 30%)	937,746	545,600

The benefit for tax losses will only be obtained if:

(i) the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and

(ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia and

(iii) no changes in tax legislation in Australia, adversely affect the Company in realising the benefit from the deductions for the losses.

(e) Tax consolidation

Eagle Eye Metals has not formed a tax consolidation group and there is no tax sharing agreement.

	Consolidated	
	2011	2010
	$	$
6. Other current assets		
FBT receivable	-	8,573
GST receivable	47,550	18,616
Security deposit	6,000	6,000
Other receivables	16,075	-
Prepaid expenses	14,979	11,199
	84,604	**44,388**

Other receivables, security deposit, prepaid expenses and goods and services tax are non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

7. Current assets classified as held for sale		
Assets held for sale – exploration projects	112,500	-
	112,500	**-**

The current asset classified as held for sale is the Apollo Hill Gold Project, as at the date of the report the asset is in the process of being sold and at the reporting date is measured at fair value less costs to sell. The sale was approved to enable the Group to focus their activities on the West African gold projects. Refer note 11.

8. Non-current assets - available for sale financial assets		
Available for sale financial assets – shares in listed corporations at fair value	1,072,662	1,848,905
	1,072,662	**1,848,905**

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 loss on revaluation of $615,936 for the 2011 financial year (2010: net gain on revaluation $639,654).

	Consolidated	
	2011	2010
	$	$

9. Property, Plant and Equipment

Property, Plant and Equipment		
Cost	21,605	28,195
Accumulated depreciation	(13,492)	(14,926)
Net carrying amount	8,113	13,269

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

Property, Plant and Equipment		
Carrying amount at beginning of year	13,269	7,676
Additions	1,200	-
Disposals	(7,790)	12,805
Depreciation expenses on Disposal	7,790	-
Depreciation expense	(6,356)	(7,212)
Carrying amount at end of year	8,113	13,269

10. Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2 (c). Details of subsidiary companies are as follows:

Name	**Country of incorporation**	**% Equity Interest**	
		2011	**2010**
Birimian Gold Pty Limited	Australia	100%	-
Birimian Gold Mali SARL	Mali	100%	-
Birimian Gold Liberia SARL	Liberia	100%	-

See note 29 Acquisition of Birimian Gold Pty Ltd for further details.

11. Deferred Exploration and Evaluation Expenditure

Exploration and evaluation expenditure		
Carrying amount at beginning of the year	2,136,822	1,815,783
Exploration expenditure during the year	1,065,918	324,624
Exploration expenditure on acquisition of Birmian Gold Pty Ltd (note 29)	4,212,809	-
Expenditure written off	-	(3,585)
Expenditure impaired	(66,235)	-
Reclassification of asset held for sale (note 7)	(112,500)	-
Carrying amount at end of year	7,236,814	2,136,822

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependant on successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

	Consolidated	
	2011	2010
	$	$
12. Trade and Other Payables		
Trade payables and accruals	112,783	43,050
	112,783	**43,050**

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

	Consolidated	
	2011	2010
	$	$
13. Other Creditors		
Within one year	184,049	-
After one year but not longer than five years	396,413	-
	580,462	**-**

Other creditors represent amounts due to be paid by the Company under agreements entered into by Birimian Gold Pty Limited with respect to exploration activities to be undertaken in West Africa. Some amounts are not due to be paid within one year and have therefore been classified as a non current liability.

	Consolidated	
	2011	2010
	$	$
14. Contributed Equity		
(a) Issued and paid up capital		
Ordinary shares fully paid	**12,617,356**	**5,499,754**

	2011		2010	
	Number of shares	**$**	**Number of shares**	**$**
(b) Movements in ordinary shares on issue				
Balance at beginning of year	44,010,000	5,499,754	44,010,000	5,499,754
Share Issue at $0.09 on 24 May 2011	42,855,000	3,856,950	-	-
Share Issue to Broker at $0.09 on 24 May 2011	1,000,000	90,000		
Rights Issue at $0.09 on 22 June 2011	25,300,000	2,277,000	-	-
Share Placement at $0.09 on 24 May 2011	12,145,555	1,093,100	-	-
Share Issue to Broker at $0.09 on 24 May 2011	1,000,000	90,000		
Transaction costs on share issue	-	(289,448)	-	-
	126,310,555	12,617,356	44,010,000	5,499,754

(c) Ordinary shares

The Group does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital Risk Management

The Group's capital comprises share capital amounting to $12,617,356 at 30 June 2011 (2010: $5,499,754). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 24 for further information on the Group's financial risk management policies.

	Consolidated	
	2011	2010
	$	$
15. Accumulated losses		
Movements in accumulated losses were as follows:		
At 1 July	1,862,965	1,452,851
Loss/(Profit) for the year	717,400	454,114
Transfer to accumulated losses on expiry of options	-	(44,000)
At 30 June	**2,580,365**	**1,862,965**
16. Reserves		
Financial assets reserve	87,660	694,654
Option reserve	-	-
Foreign currency translation reserve	4,026	-
	91,686	**694,654**
Movement in reserves:		
Financial assets reserve		
Balance at beginning of year	694,654	-
Net (loss)/gain on revaluation of financial assets	(615,936)	639,654
Reversal of impairment loss previously recognised	-	55,000
Transfer of realised loss on sale of financial assets to expense	8,942	-
Balance at end of year	87,660	694,654
Option reserve		
At 1 July	-	44,000
Transfer to accumulated losses on expiry of options	-	(44,000)
Balance at end of year	-	-
Foreign currency translation reserve		
At 1 July	-	-
Foreign currency translation	4,026	-
Balance at end of year	4,026	-

	Consolidated	
	2011	2010
	$	$

17. Cash and Cash Equivalents

(a) Reconciliation of cash

Cash balance comprises:		
Cash and cash equivalents	**2,307,229**	**331,109**

(b) Reconciliation of the net loss after tax to the net cash flows from operations

Net loss after tax	(717,400)	(454,114)
Adjustments for:		
Depreciation	6,356	7,212
Impairment of financial assets	66,235	2,500
Exploration expenditure written off	-	3,585
Loss on sale of financial assets	8,942	-
Foreign exchange (gain)/losses	(2,670)	-
Changes in assets and liabilities:		
(Increase) in receivables	(19,336)	(19,949)
(Decrease) in trade payables and accruals	(14,850)	(10,506)
Net cash flow used in operating activities	(672,723)	(471,272)

18. Expenditure commitments

(a) Expenditure commitments

The Group 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 Group'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:

	Consolidated	
	2011	2010
	$	$
Within one year	420,000	300,000
After one year but not longer than five years	420,000	300,000
Greater than five years	660,000	900,000
	1,500,000	1,500,000

The Group has no expenditure commitments in relation to its West African tenements/licences. Payments have been agreed to in relation to the purchase agreements. Refer to note 13 for details.

(b) Remuneration commitments

Under the terms and conditions of the consulting services agreements entered into by the Group with the Managing Director and Finance Director, the Group has a minimum commitment for the term of the consulting service agreements. The term of the agreements is 24 months. Commitments contracted for at reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2011	2010
	$	$
Within one year	480,000	240,000
After one year but not longer than five years	480,000	-
	960,000	240,000

(c) Lease commitments

The Group 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 2012 unless renewed by mutual agreement, including as to term, conditions and rentals payable, prior to then. Minimum commitments are estimated as follows:

	Consolidated	
	2011	2010
	$	$
Within one year	14,475	28,955

19. Subsequent events

On 6 July 2011 the Company announced the successful completion of a $3.4 million capital raising program.

On 14 July 2011 the Group announced the successful completion of its inaugural drilling campaign.

On 22 August 2011 the Group announced the resignation of Non-executive Director Garry Plowright.

On 29 August 2011 the Group announced highly significant results returned from maiden drill program at Dankassa Gold Project, Mali, West Africa.

On 7 September 2011 the Group issued 3,000,000 Performance Rights to its Managing Director, Mr. Kevin Joyce.

20. Loss per share

	Consolidated	
	2011	2010
	$	$
Loss used in calculating basic and dilutive EPS	(717,400)	(454,114)

	Number of Shares	
	2011	2010
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	50,342,659	44,010,000

	Consolidated	
	2011	2010
	$	$

21. Auditors' remuneration

The auditor of Eagle Eye Metals Limited is Grant Thornton Audit Pty Ltd

	2011 $	2010 $
Amounts received or due and receivable by Grant Thornton Audit Pty Ltd for:		
Audit or review of the financial report of the Company	27,630	22,294
Taxation services	9,695	6,515
	37,325	28,809
Amounts received or due and receivable by related practices of Grant Thornton Audit Pty Ltd for:		
Audit or review of the financial report of the Company	-	-
Last year over accrued	-	-
	-	-

22. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Mr. Hugh Bresser	Non Executive Chairman – appointed 25 May 2011
Mr. Kevin Joyce	Managing Director – appointed 25 May 2011
Mr. Wayne Ryder	Finance Director
Mr. Warren Staude	Non Executive Director
Mr. Michael Haynes	Non Executive Director - appointed 25 May 2011
Mr. Garry Plowright	Non Executive Director - resigned 19 August 2011
Mr. Nicholas Day	Company Secretary - appointed 25 May 2011
Ms. Beverley Nichols	Chief Financial Officer - appointed 25 May 2011

(b) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

	2011 $	2010 $
Short term employee benefits	481,500	292,000
Post employment benefits	24,153	50,000
Total remuneration	505,653	342,000

(c) Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year held by Key Management Personnel of Eagle Eye Metals Limited, including their personally related parties, is set out below.

30 June 2011	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year*	Balance at the end of the year
Mr. Hugh Bresser *(appointed 25 May 2011)*	-	-	-	9,030,000	9,030,000
Mr. Kevin Joyce *(appointed 25 May 2011)*	-	-	-	10,230,000	10,230,000
Mr. Wayne Ryder	8,150,000	-	-	500,000	8,650,000
Mr. Warren Staude	600,000	-	-	610,000	1,210,000
Mr. Michael Haynes *(appointed 25 May 2011)*	-	-	-	9,480,000	9,480,000
Mr. Garry Plowright *(resigned 19 August 2011)*	1,060,000	-	-	-	1,060,000
Mr. Nicholas Day *(appointed 25 May 2011)*	-	-	-	1,725,000	1,725,000
Ms. Beverley Nichols *(appointed 25 May 2011)*	-	-	-	825,000	825,000
30 June 2010					
Mr. Wayne Ryder	7,348,193	-	-	801,807	8,150,000
Mr. Warren Staude	600,000	-	-	-	600,000
Mr. Garry Plowright	1,060,000	-	-	-	1,060,000

*see note 29 Acquisition of Birimian Gold Pty Ltd for further details.

(d) Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the company held during the financial year by each director of Eagle Eye Metals Limited and specified executive of the group, including their personally related parties, are set out below:

30 June 2011	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	% vested
Mr. Hugh Bresser *(appointed 25 May 2011)*	-	-	-	-	-	-
Mr. Kevin Joyce *(appointed 25 May 2011)*	-	-	-	-	-	-
Mr. Wayne Ryder	-	-	-	-	-	-
Mr. Warren Staude	-	-	-	-	-	-
Mr. Michael Haynes *(appointed 25 May 2011)*	-	-	-	-	-	-
Mr. Garry Plowright *(resigned 19 August 2011)*	-	-	-	-	-	-
Mr. Nicholas Day *(appointed 25 May 2011)*	-	-	-	-	-	-
Ms. Beverley Nichols *(appointed 25 May 2011)*	-	-	-	-	-	-
30 June 2010						
Mr. Wayne Ryder	1,770,000	-	-	(1,770,000)	-	-
Mr. Warren Staude	600,000	-	-	(600,000)	-	-
Mr. Garry Plowright	1,060,000	-	-	(1,060,000)	-	-

(e) Other transactions with key management personnel

MQB Ventures Pty Ltd, a Company of which Mr. Michael Haynes is a Director, provided the Company with a fully serviced office including administration support for a fee totalling $52,500 during the year (2010: nil). $7,500 was outstanding at year end (2010: nil). MQB Ventures Pty Ltd also employs geological and accounting staff that were on charged at cost to the Company and is reimbursed for couriers and other minor expenses at cost. These costs totalled $18,626 (2010: nil). $4,520 was outstanding at year end (2010: $Nil).

Milagro Ventures Pty Ltd, a Company of which Mr. Hugh Bresser is a Director was paid consulting fees of $5,000 during the year (2010: nil). This amount is included in Note 22 (b) "Remuneration of Key Management Personnel". $5,000 was outstanding at year end (2010: nil).

Wavecape Holdings Pty Ltd, a Company of which Mr. Kevin Joyce is a Director was paid consulting fees of $100,000 during the year (2010: nil). This amount is included in Note 22 (b) "Remuneration of Key Management Personnel". $20,000 was outstanding at year end (2010: nil).

W. Ryder & Co, an entity of which Mr. Wayne Ryder has an interest in was paid a Directors salary of $164,500, superannuation of $24,153, company secretary's fees of $42,500 and variable outgoings of $27,605 during the year (2010: $222,000). This amount is included in Note 22 (b) "Remuneration of Key Management Personnel". Nil was outstanding at year end (2010: nil).

Serrasalmin Investments Pty Ltd, an entity of which Mr. Warren Staude has an interest in was paid Directors and consultants fees of $60,000 during the year (2010: $60,000). This amount is included in Note 22 (b) "Remuneration of Key Management Personnel". Nil was outstanding at year end (2010: nil).

Bullseye Geoservices Pty Ltd, a Company of which Mr. Michael Haynes is a Director and is engaged by Eagle Eye to provide a Director, was paid fees of $20,000 during the year (2010: nil). This amount is included in Note 22 (b) "Remuneration of Key Management Personnel". $5,000 was outstanding at year end (2010: nil).

Digital Mapping Services Pty Ltd, a Company of which Mr. Garry Plowright has an interest in was paid Directors and consultants fees of $60,000 during the year (2010: $60,000). This amount is included in Note 22 (b) "Remuneration of Key Management Personnel". Nil was outstanding at year end (2010: nil).

Argento Trust, a Trust of which Mr. Nicholas Day is a beneficiary was paid consulting fees of $16,500 during the year (2010: nil). This amount is included in Note 22 (b) "Remuneration of Key Management Personnel". $5,500 was outstanding at year end (2010: nil).

23. Related Party Disclosures

The ultimate parent entity is Eagle Eye Metals Limited. Refer to Note 10 Investments in subsidiaries for a list of all subsidiaries.

For Director related party transactions please refer to Note 22 "Key Management Personnel Disclosures". There were no other related party disclosures for the year ended 30 June 2011 (2010: Nil).

24. Financial Instruments and Financial Risk Management

Exposure to interest rate, liquidity and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments.

The Group uses different methods as discussed below to manage risks that arise from financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2011 and 30 June 2010, all financial liabilities are contractually matured within 60 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	Consolidated	
	2011	2010
	$	$
Cash and cash equivalents	2,307,229	331,109

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Consolidated

Change in Basis Points	Effect on Post Tax Loss Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
Judgements of reasonably possible movements	2011 $	2010 $	2011 $	2010 $
Increase 100 basis points	23,072	3,311	23,072	3,311
Decrease 100 basis points	(23,072)	(3,311)	(23,072)	(3,311)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2011, the Group held cash. Cash was held with financial institutions with a rating from Standard & Poors of A or above (long term). The Group has no past due or impaired debtors as at 30 June 2011 (2010: Nil).

(d) Foreign Currency Risk Exposures

As a result of operations in West Africa and expenditure in US dollars and Euros, the Group's statement of financial position can be affected by movements in the US$/AUD$ and EURO/AUD$ exchange rates. The Group seeks to mitigate the effect of its foreign currency exposure by holding cash in US dollars to match expenditure commitments.

(e) Commodity Price Risk

The Group is exposed to commodity price risk from its activities directed at exploration for commodities. A fall in the price of mineral commodities may result in a decline of market sentiment thus affecting our ability to raise additional capital in the future.

(f) 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).

2011

Financial Assets	Level 1	Level 2	Level 3	Total
Available for sale financial assets				
- Listed investments	1,072,662	-	-	1,072,662
	1,072,662	-	-	1,072,662

2010

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

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.

25. Contingent Liabilities

There are no known contingent liabilities as at 30 June 2011 (2010: Nil).

26. Operating Segment

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for gold. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The Group operates in Australia and West Africa. The following table shows the assets and liabilities of the Group by geographic region:

	2011	2010
	$	$
Assets		
Australia	9,945,778	4,374,493
West Africa	876,144	-
Total Assets	10,821,922	4,374,493
Liabilities		
Australia	62,619	43,050
West Africa	630,626	-
Total Liabilities	693,245	43,050

27. Dividends

No dividend was paid or declared by the Company in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2011 (2010: Nil). The balance of the franking account as at 30 June 2011 is Nil (2010: Nil).

28. Information relating to Eagle Eye Metals Limited ("the parent entity")

	2011	2010
	$	$
Current assets	2,222,901	375,497
Total assets	10,207,030	4,374,493
Current liabilities	62,619	43,050
Total liabilities	62,619	43,050
Issued capital	12,617,356	5,499,754
Retained losses	(2,560,606)	(1,862,965)
Financial assets reserve	87,661	694,654
	10,144,411	4,331,443
(Loss) of the parent entity	(697,641)	(454,114)
Total comprehensive (loss)/income of the parent entity	(1,304,635)	240,540

For details of expenditure commitments refer to note 18.

For details of contingent liabilities refer note 25.

29. Acquisition of Birimian Gold Pty Limited

On 25 May 2011, the consolidated entity acquired Birimian Gold Pty Limited (Birimian). Birimian was an unlisted proprietary company which had been assessing resource investment opportunities in West Africa. The consideration consisted of 42,855,000 ordinary shares at a deemed price of $0.09 per share following shareholder approval at the 24 May 2011 general meeting.

This acquisition has not been accounted for a s a business combination under AASB3: "Business Combination" as Birimian's assets were not considered to constitute a business. Accordingly, the Birimian acquisition has been accounted for as an acquisition of assets, at cost based on the fair value of shares used for the acquisition. The attributable costs of the issuance of ordinary shares have been charged directly to equity as negative contributed equity.

The fair value of the identifiable assets and liabilities of Birimian as of the date of acquisition were as follows:

	$
Cash	387,845
Receivables	19,810
Liabilities	(763,514)
Mineral exploration and evaluation rights (note 11)	4,212,809
	3,856,950
Acquisition date fair value of consideration:	
Shares issued	3,856,950
	3,856,950

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Eagle Eye Metals Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity, as set out on pages 14 to 48 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 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;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011.

On behalf of the Board

Wayne Ryder

Finance Director

30 September 2011

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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 2011, 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 2011

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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 consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. 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 Company'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 Company'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 consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards 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.

Report on the remuneration report

We have audited the remuneration report included in pages 7 to 10 of the directors' report for the year ended 30 June 2011. 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.

GrantThornton

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Eagle Eye Metals Limited for the year ended 30 June 2011, 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 2011