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The Company Announcements Office  
Australian Securities Exchange Limited

## UPDATE

### BASAWA GOLD PROJECT - LIBERIA

#### Highlights

- **100% interest in 1,131km<sup>2</sup>**
- **Major regional structures traversing project area - 45km of gold-prospective strike identified.**
- **Extensive artisanal workings mapped - primary source of gold inferred to be in close proximity.**
- **Field work has commenced.**
- **Results pending.**

Eagle Eye Metals Limited (ASX:EYE; "Eagle Eye" and "the Company") is pleased to announce that it has recommenced fieldwork at its 100% owned Basawa Gold Project in Liberia.

The Basawa Gold Project is located in southeastern Liberia, approximately 350 kilometres from the capital city, Monrovia. The Basawa reconnaissance license covers an area of 1,131km<sup>2</sup>, representing one of the larger ground holdings for gold in Liberia. The project incorporates rocks of the Birimian Greenstone Belts – the highly prospective geological formation that hosts world-class gold deposits within West Africa.

#### **Work Programme**

##### *Artisanal Workings*

Company geologists completed an extremely successful reconnaissance field trip to the Basawa Gold Project in April 2011, identifying a significant number of artisanal mining sites. This work has provided the impetus for a targeted field campaign over coming months.

Re-interpretation of existing and recently acquired geophysical and satellite data shows major ENE-trending regional structures transecting the Basawa Project area (Figure 1). Similarly orientated and parallel structures host a string of gold deposits and gold occurrences to the north of Basawa at Dugbe-Joe Village (1.8Moz). Eagle Eye has identified two similar structures within the Basawa License, representing approximately 45km of gold prospective strike. The structures are targeted for follow up during the current field campaign.

#### **BASAWA GOLD PROJECT - ARTISANAL MINING SITES**



#### ***Soil Sampling Programme***

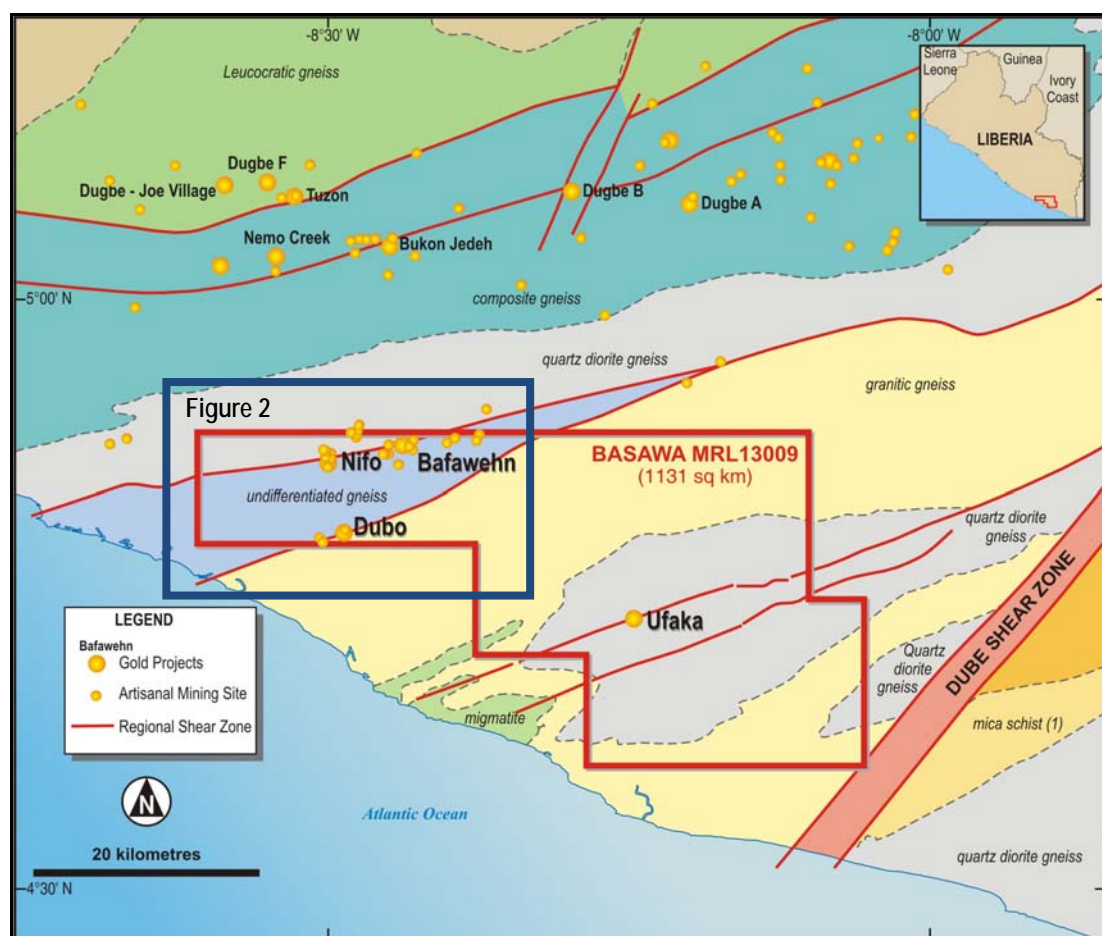
Initial work by Eagle Eye will focus on the region in the north west of the Project area where the extensive artisanal workings were identified adjacent to interpreted gold-bearing structures (Figure 2). Notably, the alluvial workings that have been mapped to date are situated in second and third order drainages which have very limited upstream extents. This is highly significant as it suggests the artisanal workings are in close proximity to a primary gold source. A reconnaissance soil sampling and mapping programme has commenced in this area. This survey will cover a 34 km<sup>2</sup> area upstream from the alluvial mining sites. It is

anticipated that this programme will define targets for follow up trenching and subsequent drilling.

Reconnaissance has not been completed along strike to the east and west of the present work area. Interpreted structure continues in both directions. Further reconnaissance along the extensions of the interpreted structures will also be undertaken in parallel with the soil sampling programme.

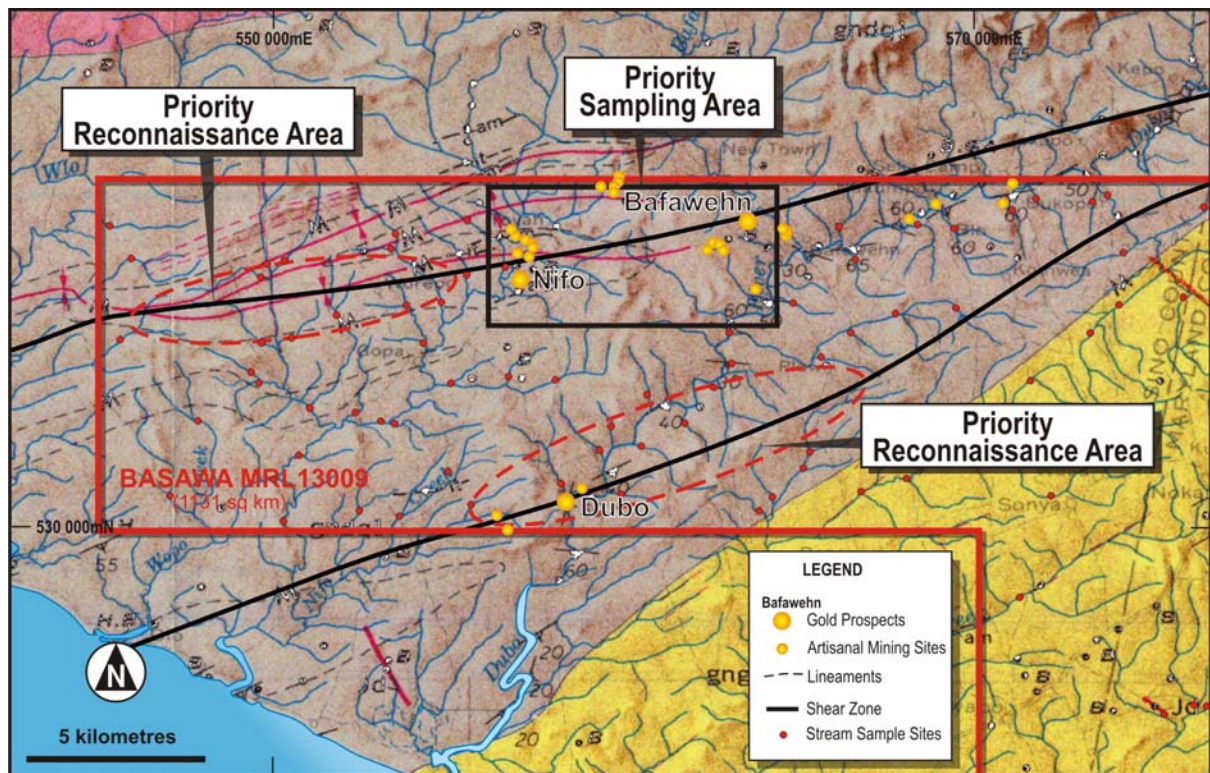
#### *Stream Sediment Sampling Programme*

A regional stream sediment sampling programme will also be initiated to investigate the broader potential of the 1,131km<sup>2</sup> Basawa Project Area. The aim of this programme is to define additional mineralised trends and gold-rich areas that will be targeted for follow up sampling and eventual drilling.



**Figure 1.** Location of Eagle Eye Metal's Basawa Gold Project in Liberia, relative to other active projects and known gold occurrences. The location of Figure 2 is highlighted.





**Figure 2.** North-west portion of Eagle Eye Metal's Basawa Gold Project, Liberia. Showing current work areas along regional shear zones.

This is an exciting time for Eagle Eye. In addition to the work programme currently underway in Liberia, work programmes are also in progress at the Company's Dankassa Gold Project and Korindji Gold Project, both in Mali. Results will be announced as they come to hand over the coming months.

Yours sincerely

Kevin Joyce  
Managing Director  
Eagle Eye Metals Ltd

## **Background Information**

### ***Gold in Liberia***

Liberia is widely considered to be highly prospective for gold. The south-eastern portion of the country is underlain by an extensive Birimian Greenstone Terrane – the geological sequence that hosts world-class gold deposits in West Africa. The Birimian greenstone terrane within Liberia is however relatively unexplored when compared to the rest of West Africa, so there is considerable potential to discover large gold deposits within this area.

There is a long history of alluvial gold mining within Liberia, but there has been no production from modern, large-scale mining operations.

Systematic, modern, exploration for gold within Liberia commenced only relatively recently, and the gold industry is developing rapidly. Aureus Mining Inc (AIM: AUE) is currently moving to develop Liberia's first modern gold mine at the New Liberty Project (1.5Mozs).

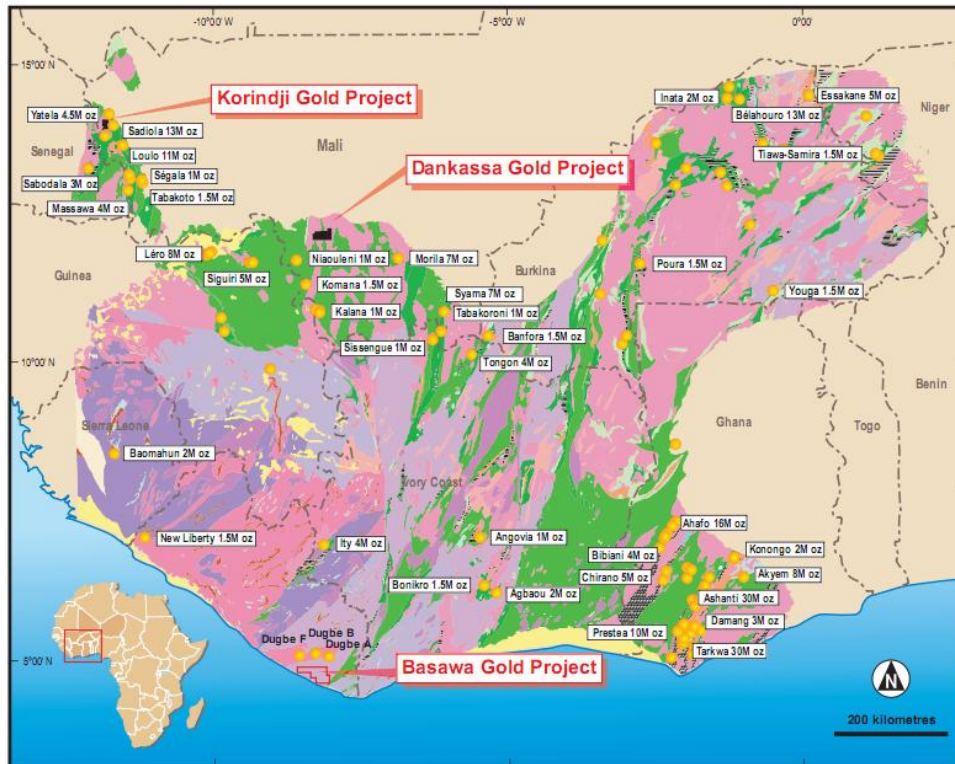
Junior exploration companies have recently made major gold discoveries in the southeast of the country adjacent to Eagle Eye's Basawa Gold Project (see Figure 2). The Dugbe Project (Hummingbird Resources, AIM: HUM) has rapidly advanced from a grass roots discovery to a resource of 1.8Moz of gold. Drilling continues. Significant results have also been returned from early stage exploration work at the Bukon Jedeh Project, immediately north of Eagle Eye's Basawa Project. The project was recently acquired by Equator Resources' (ASX: EQU). Drilling is planned in the near-term.

### ***Foreign Investment in Liberia***

Liberia is currently experiencing a major "rush" to resource development. In the last three years international companies have committed to invest more than \$10 billion of capital in major resource projects, mainly to develop iron ore projects.

This substantial foreign investment in long term projects in Liberia demonstrates that political and economic conditions are extremely positive.

The rapid development of large scale infrastructure and resource projects will significantly increase the availability of services and enhance the skills of the local population; a situation which can only serve to further enhance Liberia's reputation as a highly attractive place to explore and develop resource projects.



Location of Eagle Eye Metal's projects in West Africa.

### Competent Persons Declaration

*The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Kevin Anthony Joyce. Mr Joyce is Managing Director of Eagle Eye Metals and a Member of the Australian Institute of Geoscientists. Mr 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 Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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