



SPEEWAH
METALS

SPEEWAH METALS LIMITED

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 MARCH 2011

ASX CODE: SPM

SPEEWAH
METALS LTD

ABN 67 100 714 181

Level 22, Allendale Square
77 St Georges Terrace
Perth, WA 6000

PO Box Z5518, Perth WA 6831

PHONE +61 (0)8 9221 8055

FAX +61 (0)8 9325 8088

WEB www.speewah.com.au

INTRODUCTION

Speewah Metals Ltd has established a portfolio of 100% owned tenements covering approximately 575 square kilometres in the East Kimberley region of Western Australia ("Tenements").

Since Speewah was listed on the ASX in 2007, the company has focussed on exploring an extensive zone of vanadiferous and titaniferous magnetite mineralisation which also host PGE+Au ("Platinum group elements plus gold") mineralisation and a high grade Fluorite resource.

Exploration in late 2010 focussed on copper/gold/silver as a result of the discovery of several high grade surface samples in July 2010.

An institutional capital raising of \$6.3 million in February 2011 has resulted in the Company having sufficient working capital to fund the 2011 strategy and provide adequate funding into 2012.

Speewah focus for 2011 is:

1. **Significant expansion of the existing vanadiferous magnetite resource.** Part of the 2011 Exploration programme will be to increase the existing Measured, Indicated and Inferred Resources totalling **3.159 Billion tonnes** at 0.30% V₂O₅ (at 0.23% V₂O₅ cut-off grade). In addition to these resources, **Speewah estimates that an additional vanadiferous magnetite Exploration Target* of 2 to 5 Billion tonnes at 0.30-0.32% V₂O₅ exists in the Speewah Dome.**
2. **Continue exploration based on promising results of Copper/Gold/Silver and Lead mineralisation.** This will include a maiden airborne EM survey conducted on the tenements that will target potentially highly conductive Cu/Au mineralisation against non-conductive background rock. This is expected to target copper/gold mineralisation identified both in the vertical and horizontal dimensions.
3. **Metallurgical work on the vanadium/titanium resource and investigate the potential to recover titanium and iron in addition to vanadium** which may have the potential to multiply project values.
4. **Continuation discussions with and promotion to international parties** that have shown interest in the **vanadiferous magnetite resource** in order to secure strategic investment into the Company. Speewah will be attending Mines and Money Beijing (June 2011) for follow up meetings with interested parties and to promote to new strategic partners/investors;
5. Following the metallurgical test work programme, completion of the works/studies commenced in 2010 including:
 - Pit design and optimisation that will lead to a Reserve estimate on the Central deposit;
 - Processing Flowsheet, OPEX, CAPEX and Net Present Value for different alternatives for the vanadiferous magnetite project;
 - Application for Environmental Assessment;
 - Agreement with landholders, following on from completion Aboriginal Heritage clearance received in late 2010;
 - Application for a Mining Lease.

HIGHLIGHTS FOR THE QUARTER

Corporate

Completion of institutional capital raising of \$6.3 million at 37 cents.

Copper /Gold/ Silver Exploration Results

Discovery results from 2010 drill programme including:

1. **Multiple highly anomalous Gold and Copper intersections** from 2010 drill assays;
2. Confirmation that the most prospective copper/gold targets lie within the major fault systems;
3. RC drilling high copper/gold surface samples identified flat lying mineralization at gabbro-sediment contact (up to 4 metres thick with the best assay being 1m at 1.76g/t Au, 1.12% Cu, 3.21% Pb and 10oz/t Ag).

Approval of 2011 Exploration Programme

The following exploration programme has been developed and authorised during the quarter:

- A close spaced airborne V-TEM survey to be conducted with up to 2,200 line kilometres to be flown and covering most of the Speewah Dome;
- An additional soil sampling program will cover areas identified as being prospective for copper/gold mineralisation. This programme will be extended beyond the major King and Central faults with up to 4,000 samples collected;
- Further geological mapping and gossan sampling;
- An extension of the 2010 gravity survey;
- Reverse Circulation and Diamond Core drilling with up to 20,000 metres authorised.

Strategy Update and Implementation

The 2011 strategic objectives have been set and include the following three value add components. The first two components will be met through completion of the 2011 Exploration Programme:

1. Significantly increase to what is Australia's and one of the world's largest vanadium/titanium in magnetite resource, through drilling a **exploration target* of an additional 2-5 Billion tonnes @ 0.3-0.32% V₂O₅ and 1.8-2.0% Ti**;
2. Continue **exploration based on promising results of Copper/Gold/Silver and Lead mineralisation**. This will include a maiden airborne EM survey conducted on the tenements that will target potentially highly conductive Cu/Au mineralisation against non-conductive background rock.
3. **Metallurgical work on the vanadium/titanium resource and investigate the potential to recover titanium and iron in addition to vanadium** which may have the potential to multiply project values.

TENEMENT OVERVIEW

Figure 1 below shows the Speewah tenements with existing vanadium/titanium Resources within the solid red lines that are located within 1-2 kms of each other. The 2011 exploration programme will join and extend these Resources along the red shaded area.

The primary copper gold targets along the major structures are also shown on this map shaded blue together with the fluorite resource in the south east.

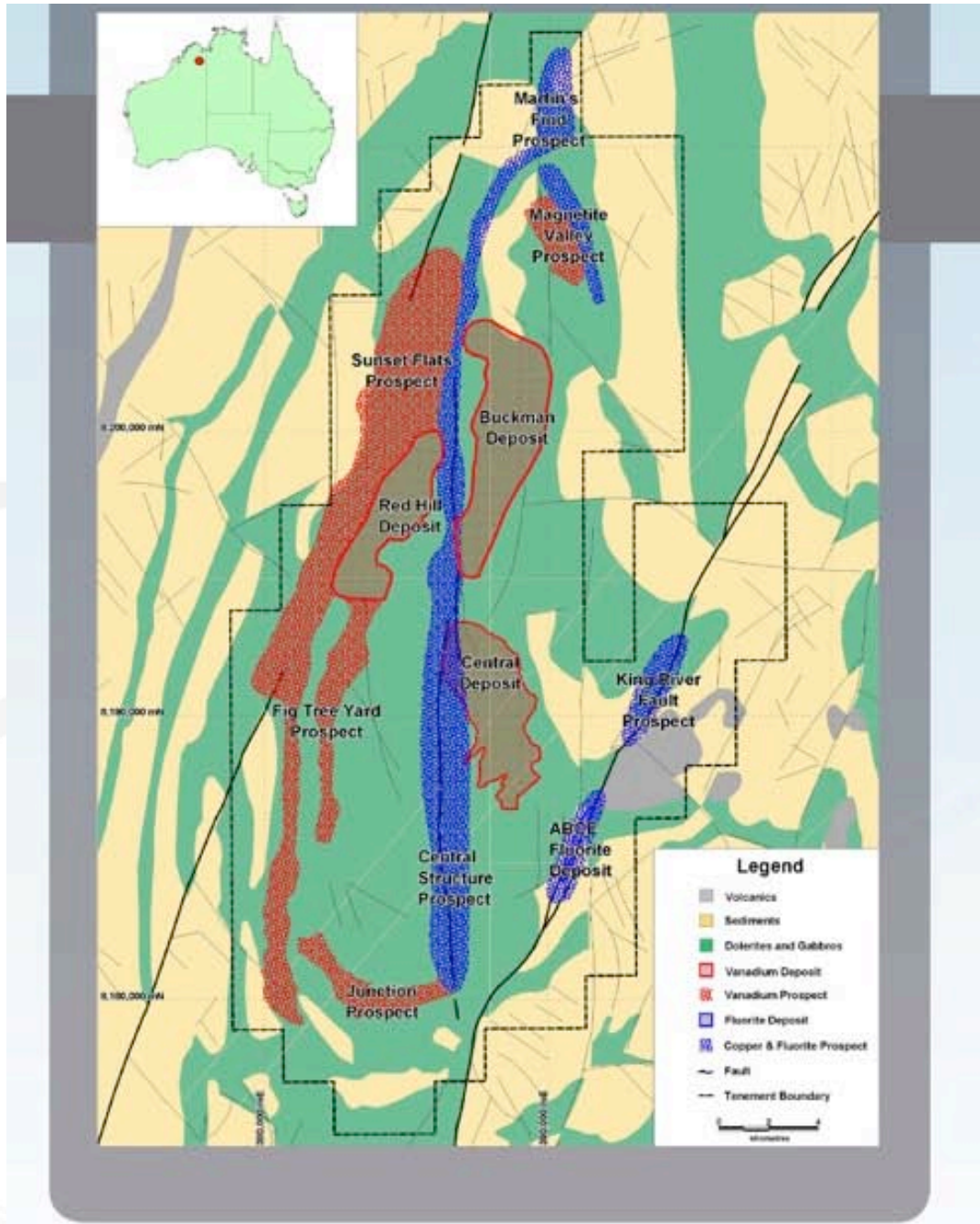


Figure 1: Tenement Overview

The existing vanadium/titanium resource also contains a thin 20cm zone of platinum mineralisation. The drilling of the vanadium exploration targets will investigate the potential for higher grades or thicker zones of platinum mineralisation.

RESOURCES

The Speewah Dome tenements contains one of the world's largest undeveloped **vanadium in magnetite deposits** with combined Measured, Indicated and Inferred Resources totalling 3,159 Mt at 0.30% (at 0.23% V₂O₅ cut-off grade) in three deposits, comprising a Measured Resource of 201 Mt at 0.33% V₂O₅, Indicated Resource of 175 Mt at 0.32% V₂O₅ and an Inferred Resource of 2,783 Mt at 0.3% V₂O₅.

This includes the Central deposit, which has a high grade zone of 434 Mt at 0.37% (at 0.23% V₂O₅ cut-off grade), comprising a Measured Resource of 115 Mt at 0.37% V₂O₅, Indicated Resource of 85 Mt at 0.38% V₂O₅ and an Inferred Resource of 234 Mt at 0.37% V₂O₅.

Drilling of the Buckman deposit during the 2010 Exploration Programme was submitted for analysis in order to obtain an upgrade of the existing resource which will be released in the coming days.

Sinclair Knight Merz ("SKM") completed further metallurgical testwork on representative samples from the basal high grade zone of the Central deposit that confirmed the very high tenor of 2.48% V₂O₅ in magnetite concentrate.

A comparison of Speewah's vanadium resource (in terms of resource size and vanadium tenor in concentrate) with other Australian vanadium in magnetite projects and an existing South African production facility (Xstrata) is shown in Figure 2 below. The comparison includes the existing Speewah vanadium resource and the projected combined existing resource and Exploration Target following completion of the 2011 Exploration Programme.

Vanadium Magnetite Deposits

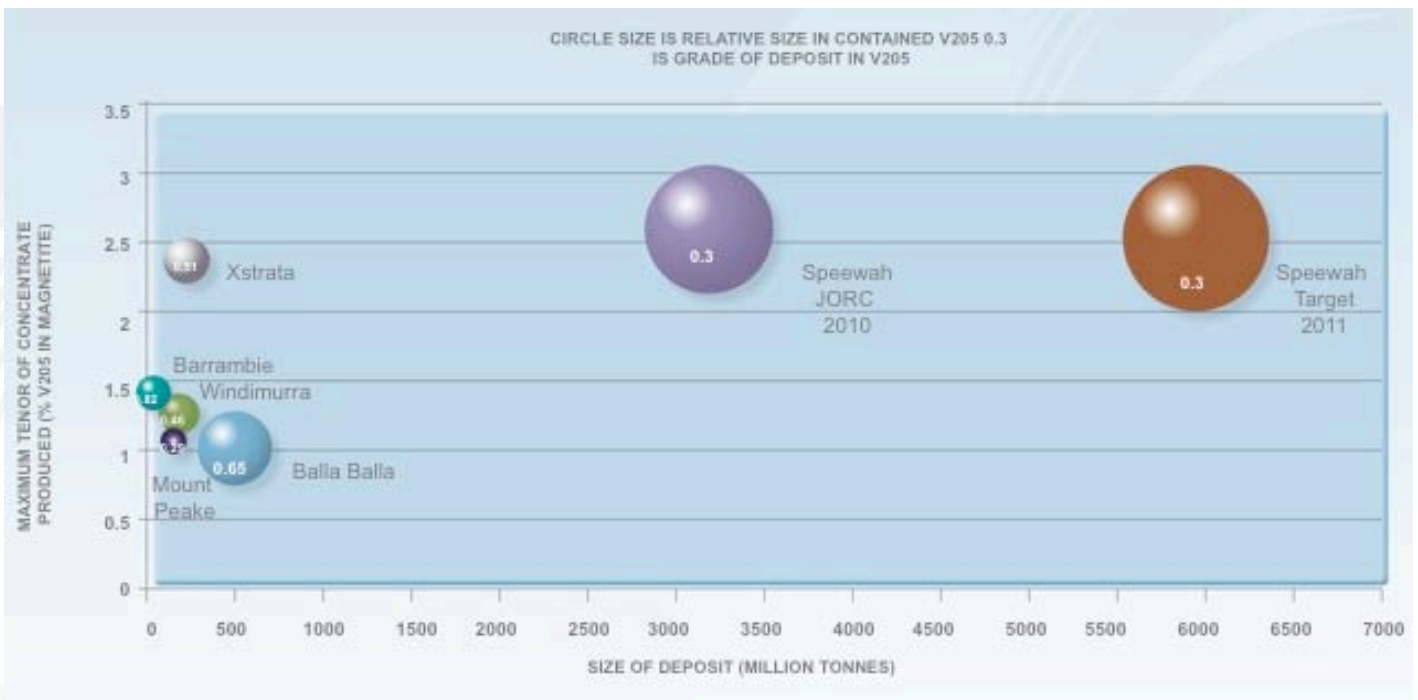


Figure 2: Comparison of concentrate tenor, resource grade and tonnes for vanadium magnetite deposits

The tenements also contain a high-grade, high-quality **fluorite deposit** with Indicated and Inferred Resources totalling 6.7 Mt at 24.6% (at 10% CaF₂ cut-off grade), comprising an Indicated Resource of 4.1 Mt at 25.3% CaF₂ and an Inferred Resource of 2.6 Mt at 23.6% CaF₂.

Please see Appendix A for further detail of Mineral Resources and Appendix B for details of metallurgical test work confirming world class tenor of vanadium in magnetite concentrate of 2.48% V₂O₅.

EXPLORATION RESULTS AND GEOLOGICAL MODEL

While the geology of the vanadium/titanium resource has been well defined from exploration during the past 4 years, the exploration results from the Copper/Gold/Silver programme conducted in 2010 has allowed the development of a new mineralisation model for the copper/gold/silver and fluorite mineralisation encountered on the Speewah tenements. This model is shown in Figure 3 below together with its relationship to the vanadium-titanium mineralisation.

The 2010 drilling identified a flat lying polymetallic (base-precious metal) vein system (Figure 3) at the granophyre-sediment contact 1 - 4 metres thick with the best assays:

1m at 1.76g/t Au, 1.12% Cu, 3.21% Pb and 10oz/t Ag (SRC463, 11-12m).

2m at 1.42g/t Au, 0.5% Cu, 4.38% Pb and 9.4oz/t Ag (SRC454, 1-3m).

In addition, the RC drilling has intersected gold-arsenic mineralisation at Eiffler associated with a linear magnetic-EM anomaly defined by the SAM geophysical programme (Figure 4).

1m at 0.46g/t Au and 2.06% As (SRC507, 107-108m).

The 2010 soil and drill assay results provide evidence for a large-scale hydrothermal alteration system which is carrying copper, gold, silver and lead mineralization. The Board is excited by the potential of the Speewah Dome to host a large polymetallic mineralised system.

Speewah Dome Mineralisation Model

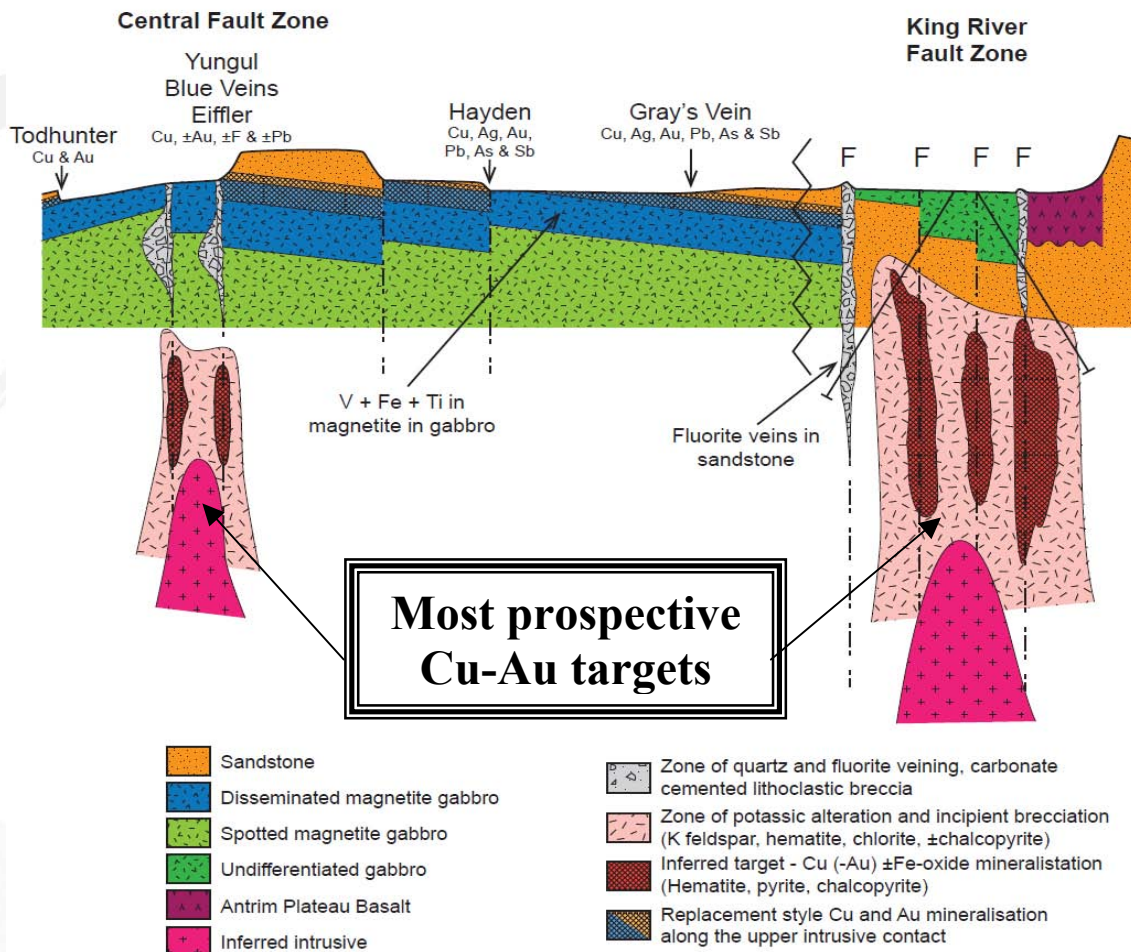


Figure 3: Schematic geological model for copper-gold-silver, fluorite and vanadium-titanium mineralisation within the Speewah Dome.

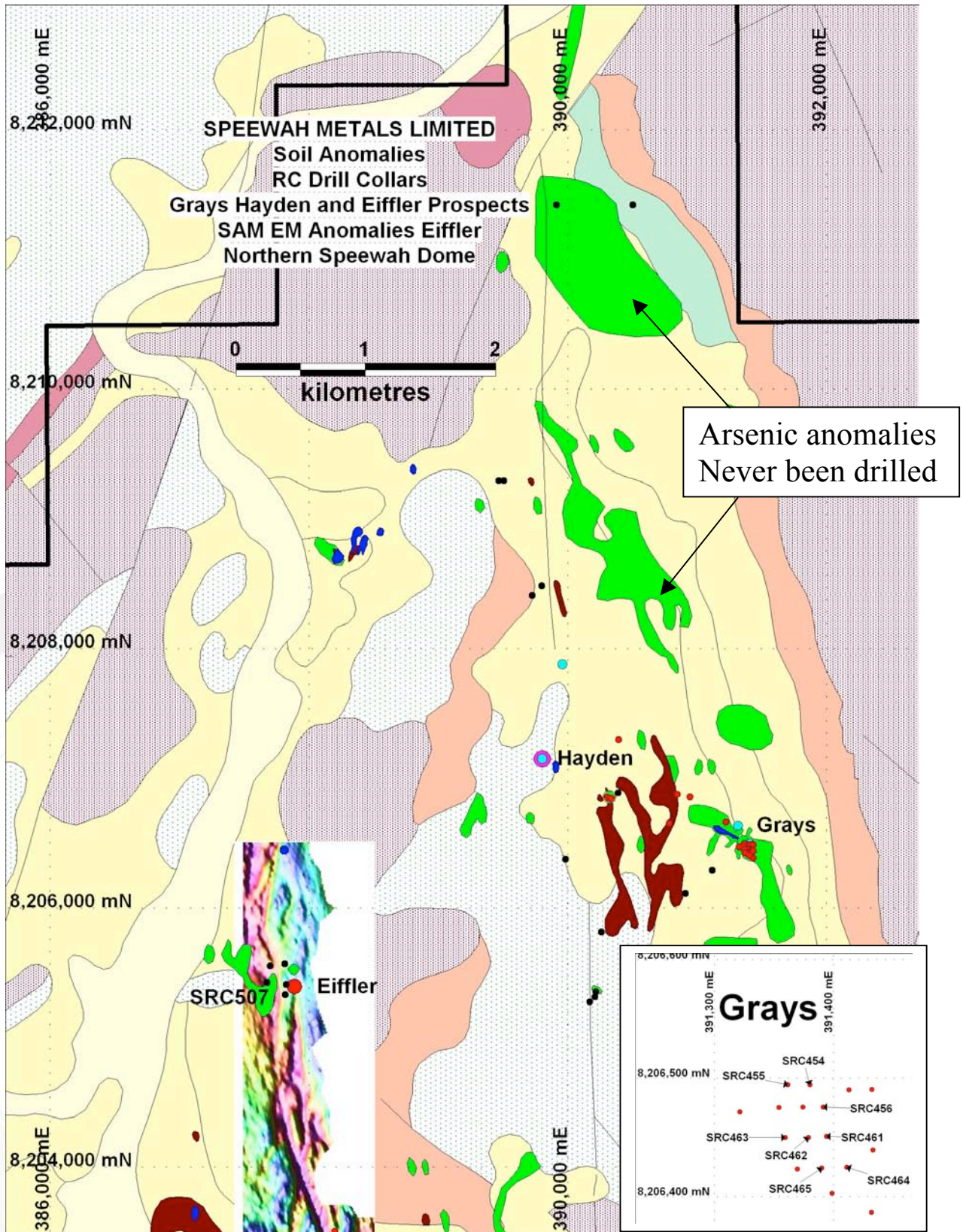


Figure 4: North Speewah Dome geology showing soil anomalies (green As, blue Pb and brown Cu), SAM EM anomalies, RC drill collars drilled 2010 (red and black dots), and rock chip samples colour coded for copper. Inset of Grays RC collars.

VANADIUM-TITANIUM MAGNETITE SCOPING STUDIES

Work has been completed over the past 12 months with the ultimate goal of providing a viable vanadium-titanium magnetite project at Speewah.

In summary these studies have included metallurgical studies involving laboratory scale testing of the Speewah magnetite concentrate to consider the following processing stages:

Stage 1 – Beneficiation of Ore to Magnetite Concentrate

Stage 2 – Development Alternatives

- i. Magnetite Concentrate
- ii. Ferro-Vanadium
- iii. Pig Iron
- iv. Acid Leach Plant (Hydrometallurgical)

Details of the work performed to date are provided in Appendix B.

2011 METALLURGICAL TESTWORK

The third key strategic objective is to focus on the Acid Leach development route to investigate the potential to extract both titanium and vanadium from the Resource. **The 2011 metallurgical test programme will focus on hydrometallurgical testwork on the magnetite concentrate to recover Ti alongside the V and Fe as high value end products.** The opportunity for the Company is a potential increase in project valuation modeled last year, with the Ti and Fe added as additional end products generating further revenues at lower CAPEX and OPEX.

Speewah is undertaking testing of a number of processes that look at a range of reagents to dissolve the magnetite concentrate initially produced from the ore deposit, and then precipitate out the V, Ti and Fe individually. A number of hydrometallurgical processes exist that will be tested using magnetite concentrate samples generated from drill samples collected within the Speewah tenements. A hydrometallurgical process may provide the opportunity to significantly reduce costs through saving in OPEX and CAPEX due to the ability for the process to eliminate external heating and other processing inputs and plant items that are major cost components in other development alternatives tested. Scalability of a process, which is not available in other development routes, is also an important outcome for a resource that may provide over 100 years of mining.

ACCESS, TENURE, APPROVAL AND LOGISTICS

In addition to the metallurgical test programme, the following works will be finalised:

- a. An application for a Mining Lease is planned once the scoping studies determine the likely footprint of the combined mine site and tailings areas. The determination of this factor is the only matter outstanding as the **company has already complied all other information necessary to support the application for a Mining Lease.**
- b. Negotiation of a Mining Agreement with landholders.

The following works were completed in 2010:

- c. Field work has been completed on Flora and Fauna studies on the Central vanadium deposit. This work will support future applications for environmental approval associated with any potential project development.
- d. Aboriginal Heritage Survey over proposed initial mining area of the Central Deposit has been completed and finalised. This represents a major achievement towards enabling the development of a mine site within the **vanadium-titanium in magnetite** resource.

FINANCIAL MODELLING

The financial modelling completed in July 2010 used benchmarked OPEX and CAPEX inputs from similar projects provided by SKM.

Speewah's initial conceptual modelling favours a Ferro-Vanadium development alternative.

This modelling will be further refined and optimised as the metallurgical testing provides detailed information on operating cost inputs and contributes to flowsheet design that will impact CAPEX requirements. An update of the financial modelling will be produced once the existing Vanadium/titanium Resource is upgraded to Reserve status.

Metallurgical testing in 2011 may indicate that a hydrometallurgical processing route provides a superior project valuation to the Ferro-Vanadium development alternative. **If the hydrometallurgical route is concluded to be the preferred development route a financial model will be developed for this processing route late in 2011.**

PROMOTION OF THE VANADIUM-TITANIUM MAGNETITE ASSET

Vanadium is a ferro-alloy used to produce hardened and tool steel. With the massive increases in global steel production primarily being delivered through increased production from Asia and specifically China, Speewah's focus has been to identify development funding/investment from this region.

Speewah's strategy for Australia's largest vanadiferous magnetite deposit is to continue to increase the size of the vanadium/titanium resource through drilling in 2011 and promote the asset to identify a strategic investor or development partner for the project.

The commencement of this promotional activity was participation at the 2010 China Mining Expo in November 2010 in China. **The vanadium asset generated significant interest with a number of parties and the Company has now begun a process of supplying detailed technical information to the interested parties.**

The Company is extremely pleased with the interest generated by the strategy and feedback from the Expo has helped to formulate the strategy for 2011 including the aggressive plan to significantly increase the size of the existing Vanadium/titanium Resource as part of the 2011 Exploration programme.

Speewah will attend follow up meetings with interested parties and promote to new potential partners at Mines and Money Beijing to be held 15-17 June 2011. Discussions with interested parties and promotion of the vanadium/titanium asset will continue throughout 2011 leading up to the vanadium/titanium Resource upgrade and copper/gold/silver exploration results that will be finalised 1st quarter 2012.

OTHER PROSPECTS - PGE AND FLUORITE

The tenements are also prospective for:

1. **PGE+Au** - All drilling within the vanadium zones provides further information regarding **PGE+Au** prospectivity, with specific exploration designed to test for feeder/high grade zones of the PGE+Au reef initially discovered in 2007;
2. **Fluorite**- Drill results from the 2010 exploration programme will be reviewed to identify further fluorite rich intersections and extensions of the existing fluorite resource. This analysis may lead to the opportunity for an upgrade to the existing fluorite resource. Diamond core holes from the drill programme have already lead to the **discovery of a new fluorite vein along the east contact of the King River Fault** east of the existing ABCE fluorite resource and there have been a **number of new RC drill intersections of fluorite veins at West Vein that are not part of the existing resource**. Speewah estimates that the Exploration Target* for fluorite deposits, in addition to the existing resource of 6.7Mt at 24.6% CaF₂, is 4 to 8Mt at 20-25% CaF₂.

CONCLUSIONS

The key drivers of value for Speewah in 2011 are:

1. **Significant increase in the size of the existing vanadiferous magnetite resource.** Part of the 2011 Exploration programme will be to increase the existing Measured, Indicated and Inferred Resources. **Speewah estimates that an additional vanadiferous magnetite Exploration Target* of 2 to 5 Billion tonnes at 0.30-0.32% V₂O₅ exists in the Speewah Dome.**
2. **Continue exploration based on promising results of Copper/Gold/Silver and Lead mineralisation.** This will include a maiden airborne EM survey conducted on the tenements that will target potentially highly conductive Cu/ Au mineralisation against non-conductive background rock.
3. **Metallurgical work on the vanadium/titanium resource and investigate the potential to recover titanium and iron in addition to vanadium** which may have the potential to multiply project values.
4. **Continue discussions with and promotion to international parties** that have shown interest in the **vanadiferous magnetite resource** in order to secure strategic investment into the Company. Speewah will be attending Mines and Money Beijing (June 2011) for follow up meetings with interested parties and to promote to new strategic investors.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Speewah Metals Limited

Level 22 Allendale Square
77 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9221 8055
Fax: +61 8 9325 8088

Richard Wolanski – Executive Director
Anthony Barton – Non Executive Chairman

Mr Ken Rogers (Member of the Australian Institute of Geoscientists), Chief Geologist for Speewah Metals Limited, compiled the technical aspects of this report. Mr Rogers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Rogers consents to the inclusion in the report of the matters in the form and context in which it appears.

* Exploration Target is not a mineral resource and further drilling is required which may not define these tonnes & grade. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if future exploration will result in the determination of a mineral resource.

APPENDIX A

RESOURCES

The Speewah Tenements contain the following Mineral Resources:

Vanadium-Titanium

The vanadium-titanium Mineral Resource is given in Table A.

Table A: Speewah Project - February 2010 Mineral Resource Estimate, 0.23% V₂O₅ Cut-off

Speewah Project		Tonnes Mt	V %	V ₂ O ₅ %	Fe %	Ti %
Zone	Class					
High Grade	Measured	115	0.21	0.37	15.0	2.1
	Indicated	84	0.21	0.38	15.0	2.1
	Inferred	1,227	0.19	0.35	14.8	2.0
High Grade Total		1,427	0.20	0.35	14.9	2.0
Low Grade	Measured	86	0.15	0.27	14.7	2.0
	Indicated	91	0.15	0.26	14.8	2.0
	Inferred	1,557	0.15	0.27	14.7	2.0
Low Grade Total		1,733	0.15	0.27	14.7	2.0
Combined Zones	Measured	201	0.18	0.33	14.9	2.1
	Indicated	175	0.18	0.32	14.9	2.1
	Inferred	2,783	0.17	0.30	14.8	2.0
Grand Total		3,159	0.17	0.30	14.8	2.0

Note: Estimate based on results of XRF analysis for V, Fe and Ti, with V₂O₅ calculated as V % x 1.785. Differences may occur due to rounding.

The Mineral Resource has now been estimated to include the previously reported **Central** deposit and two additional deposits at **Red Hill** and **Buckman** (Figure 5 following page). They individually extend over strike lengths of 5.5 to 8km and up to 2km wide. These combined Minerals Resources at Speewah are significantly larger than any other vanadium in magnetite deposit in Australia and there are several other areas within the Speewah Dome with magnetite bearing gabbro that have yet to be drill tested.

It is important to note that the entire resource, inclusive of the low grade zones, contains magnetite with vanadium tenor that is higher than in other Australian vanadium deposits, and the high grade zone has vanadium tenor in magnetite that is higher than being exploited commercially in existing vanadiferous magnetite production facilities.

Fluorite

The Fluorite resource is given in Table B. The deposit contains Indicated and Inferred Resources totalling 6.7 Mt at 24.6% (within high grade domains at 10% CaF₂ cut-off grade), comprising:

- Indicated Resource of 4.1 Mt at 25.3% CaF₂;
- Inferred Resource of 2.6 Mt at 23.6% CaF₂.

Table B: Speewah Fluorite Prospect Mineral Resource Estimate.

Speewah Fluorite Deposit August 2009 Resource Estimate							
Type	Indicated		Inferred		Total		
	Tonnes	CaF ₂	Tonnes	CaF ₂	Tonnes	CaF ₂	
	Mt	%	Mt	%	Mt	Mt	
High Grade	4.1	25.3	2.6	23.6	6.7	24.6	1.7

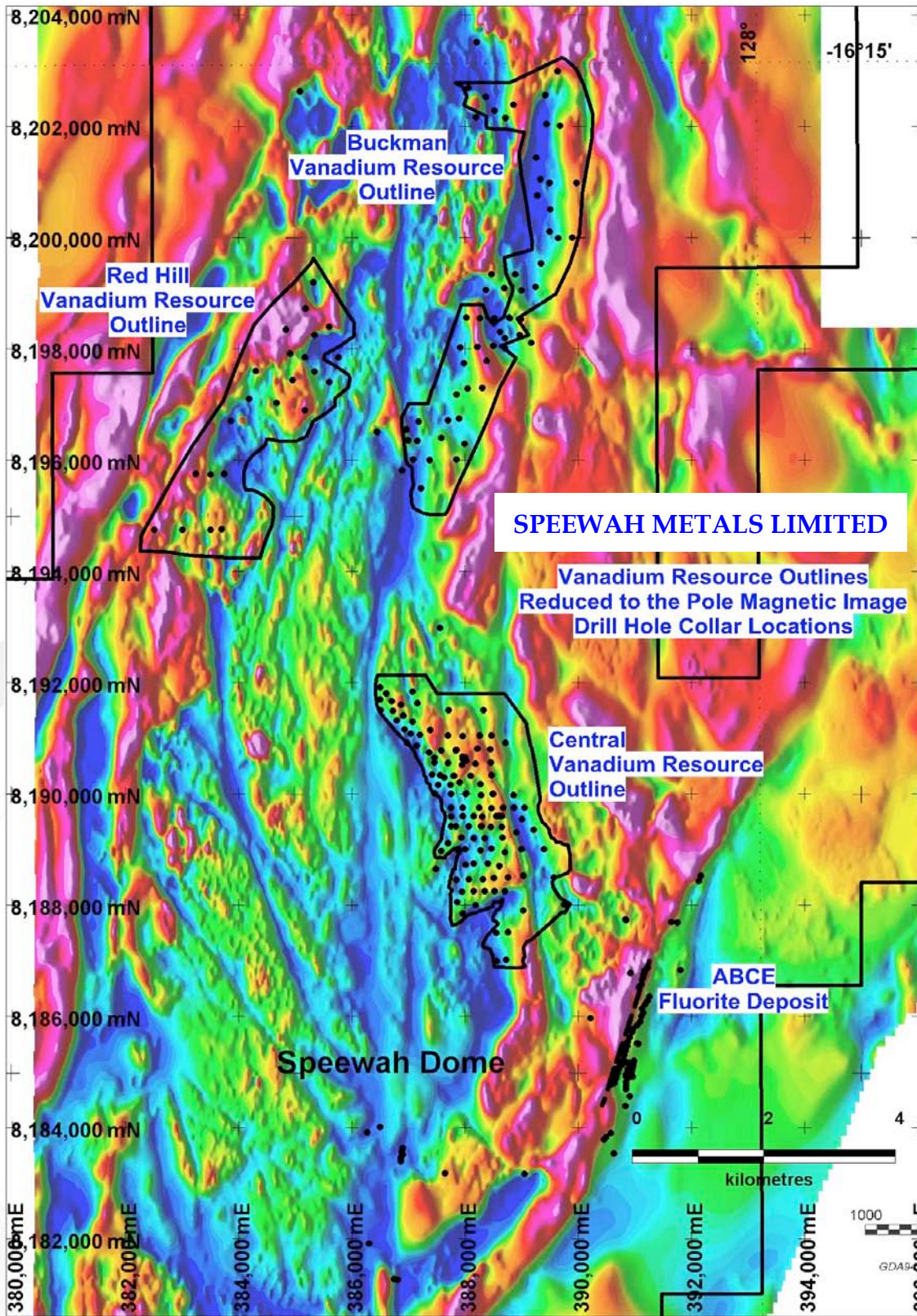


Figure 5: Location of Vanadium Mineral Resources at Speewah within the Exploration Licence boundaries (black lines)

APPENDIX B

METALLURGICAL TESTING

The Vanadium-Titanium Magnetite Scoping Study – Work has been completed with the ultimate goal of providing a viable vanadium-titanium magnetite project at Speewah. This study has focussed on the high grade Measured and Indicated Resources of 200 Million tonnes detailed in Appendix A.

In summary these studies have included:

Metallurgical Testing

Metallurgical studies involving laboratory scale testing of the Speewah magnetite concentrate to consider the following processing stages:

Stage 1 – Beneficiation of Ore to Magnetite Concentrate

Production of a high tenor vanadium magnetite concentrate: **-A magnetite concentrate will be required for any development alternative.** The ASX announcement of 1 April 2010 has already reported high vanadium tenor across the Measured Resource of the Central deposit. Variability tests using Davis Tube testwork on composite Reverse Circulation drill chip samples collected predominantly from within the Central vanadium deposit and selected parts of the Red Hill and Buckman deposits **have shown vanadium recoveries of up to 77.73% V₂O₅ and mass recoveries up to 14.18% magnetite in concentrate. Significantly, all samples reported vanadium tenor in the magnetite concentrates over 2.0% V₂O₅ (range 2.15 to 2.64% V₂O₅).**

A Davis-tube testing programme **has been approved** to map the distribution of vanadium concentrate grade and mass recoveries in the deposit, for input into future pit optimisations and reserve estimates.

Stage 2 – Development Alternatives

i. Magnetite Concentrate (Alternative 1):

This involves the shipping of the magnetite concentrate as an end product. Sinclair Knight Merz (“SKM”) initial scoping report indicates that transporting the magnetite concentrate to Wyndham where it is loaded onto barges before being loaded onto larger ships away from the port may be the most efficient method to transport large quantities of magnetite concentrate for export.

In 2011 Crushing and Grinding testwork is planned to optimise the efficiency of the beneficiation process as numerous advances in technologies in recent years may provide the opportunity to significantly improve the efficiency of the process of creating the magnetite concentrate. This study is likely to improve the feasibility of selling the magnetite concentrate as a stand-alone project but also lower overall costs for each of the alternative Stage 2 Development Alternatives.

ii. Ferro-Vanadium (Alternative 2):

Initial pyro-metallurgical testwork on the magnetite concentrate for vanadium recovery has been completed and involved laboratory scale salt-roast processing. Results will assist in flowsheet design and provide data for operating cost and capital cost estimates that will refine promising initial conceptual NPV modelling. **The initial test results have shown vanadium recovery of up to 87.5% from the magnetite concentrate at various grind sizes and salt reagent additions. A second round of testing has been approved to optimise recoveries and establish operating cost inputs.**

iii. Pig Iron (Alternative 3):

Pyrometallurgical testwork on the magnetite concentrate to produce pig iron end product. This work has been completed by Mintek (South Africa) simulating arc furnace processing. Test results included:

- 1. Production of a pig iron alloy comprising between 89-94% iron (Fe) and greater than 2% Vanadium (V) which represents greater than 90% recovery of Vanadium (V);**

2. The **Speewah magnetite does not contain deleterious elements that could compromise pig iron quality;**
3. A temperature of 1500°C is indicated for efficient vanadium recovery;
4. Modelling predicts an energy requirement of around 0.9MWh per tonne of feed.

iv. Acid Leach Plant: (Alternative 4)

Hydrometallurgical testwork on the magnetite concentrate to produce three end products including a high grade iron (Fe) product, vanadium product (V₂O₅) and a titanium product (TiO₂). Test results included:

1. Initial leach results (heated environment) resulted in Vanadium (V) recovery of >90% and Iron recovery of >80% after 15 minutes;
2. **Initial testing (at room temperature) resulted in Vanadium (V) recovery of >90% and Iron recovery of >75% after 120 minutes;**
3. Acid usage (at room temperature) was 480kg/tonne of feed ore;
4. **Successful treatment at room temperature would eliminate the need for heating resulting in CAPEX and OPEX savings.**

APPENDIX C

LOCATION

The Speewah tenements are located approximately 110 kilometres southwest of Kununurra and 110 kilometres south of the port of Wyndham in the Kimberley region of Western Australia (Figure 5). The Tenements are accessed via 45 kilometres of unsealed tracks from the sealed Great Northern Highway.

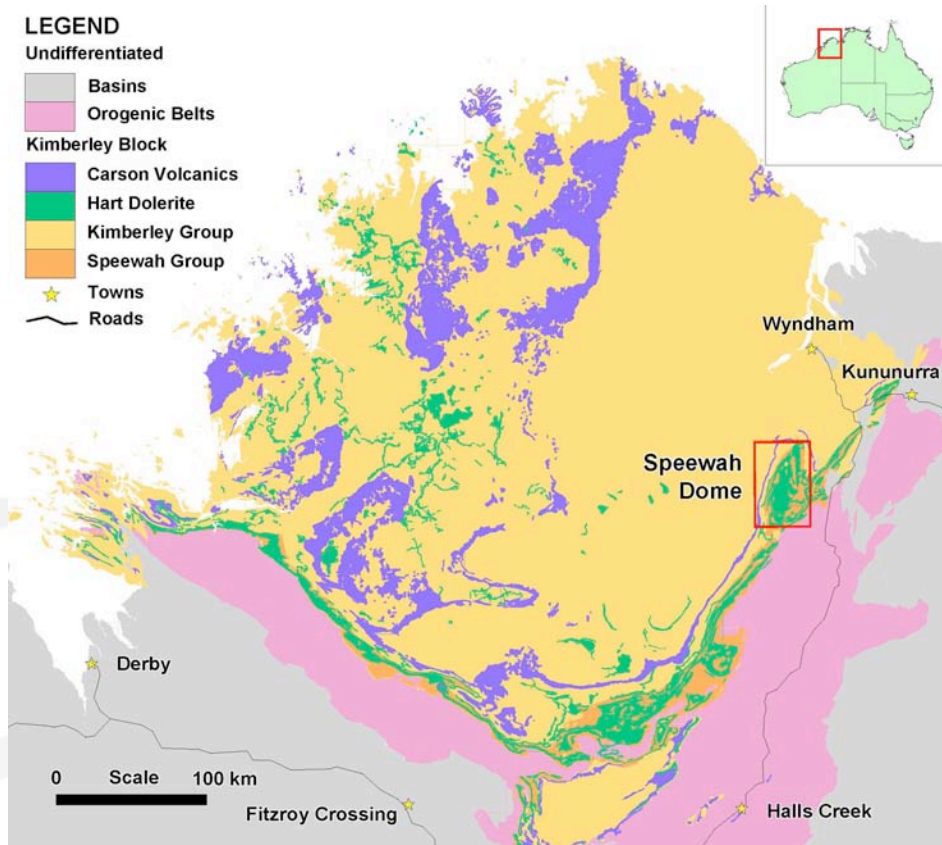


Figure 5: Location Map