

Vanadium/Titanium Resource Upgrade Including 170% Increase in Measured & Indicated Resources

ANNOUNCEMENT

2 May 2011

HIGHLIGHTS

- New Mineral Resource estimate by Runge increases the Vanadium Resource at Buckman to 1.6 billion tonnes at 0.29% V₂O₅ and 1.9% Ti including Indicated and Inferred categories based on drilling in 2010, up from previous Resource of 1.17 billion tonnes at 0.3% V₂O₅ and 2% Ti.
- Included in this estimate was the maiden definition of Indicated Resources at Buckman of 651 million tonnes at 0.3% V₂O₅ and 2% Ti, which has resulted in a 170% increase in the combined Measured and Indicated Resources from all deposits on the Speewah tenements;
- Total combined Resources at Speewah now 3.6 billion tonnes at 0.30% V₂O₅ and 2% Ti;
- Drilling planned for 2011 to test for an additional Exploration Target of 2 - 5 billion tonnes at 0.30-0.32% V₂O₅ and 1.8-2.0% Ti at Speewah;
- Exploration Programme initiated with the construction of road and access tracks commenced at Speewah;
- Heli-borne EM survey to be flown in June, with drilling planned to commence early July 2011.

MINERAL RESOURCE ESTIMATE

Speewah Metals Limited ("Speewah" or "the Company") (ASX: SPM) is very pleased to report a substantial increase in Mineral Resources at the **Buckman** vanadium deposit to a total **Measured, Indicated and Inferred Mineral Resource** estimated at **1,577Mt** at **0.29% V₂O₅**, 1.9% Ti and 14.6% Fe, at a block cut-off grade of 0.23% V₂O₅ (Table A) within the 100% owned Speewah Project (Figure 1).

The Mineral Resource has also been updated to include all three deposits at **Central, Red Hill and Buckman** (Table B) (Figure 1). The **combined Measured, Indicated and Inferred Resources totals 3,566 Mt at 0.30%** (at 0.23% V₂O₅ cut-off grade) in the three deposits, comprising a Measured Resource of 201 Mt at 0.33% V₂O₅, Indicated Resource of 826 Mt at 0.30% V₂O₅ and an Inferred Resource of 2,539 Mt at 0.3% V₂O₅.

Included within this combined total, there is a **high grade zone of 1,541 Mt at 0.35%** (at 0.23% V₂O₅ cut-off grade), comprising a Measured Resource of 115 Mt at 0.37% V₂O₅, Indicated Resource of 298 Mt at 0.35% V₂O₅ and an Inferred Resource of 1,128 Mt at 0.35% V₂O₅. Included within this high grade zone there is 434 Mt at 0.37% (at 0.23% V₂O₅ cut-off grade) at the Central Deposit, 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.

Mineral Resource estimation has been undertaken by Runge Limited ("Runge"). It includes assay results from the latest phase of drilling completed in 2010. The Resource tonnes, grade and classification have been estimated at a block model cut-off grade of 0.23% V₂O₅ (see explanatory notes provided in Attachment 1).

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DIRECTOR'S COMMENTARY

The Board is very pleased to be able to deliver another significant increase in the Resource which is many times larger in terms of contained vanadium than any other Australian vanadium-in-magnetite project. The key aspects of this announcement include:

- Significant increase in Buckman Resource;
- Upgrading the Buckman deposit Resources to include Indicated Resources under the JORC Code;
- An important outcome of this Resource estimate is with the upgrade in classification in the Buckman deposit to include Indicated resources, there is now **1,027 million tonnes at 0.3% V₂O₅ in the Measured and Indicated categories** (Table B) from all three deposits, which is a **170% increase** over previous estimates of 376 million tonnes at 0.3% V₂O₅.

There are several other areas within the Speewah Dome with magnetite bearing gabbro that will be drilled in 2011 to test for an additional Exploration Target of 2-5Bt at 0.30-0.32% V₂O₅ and 1.8-2.0% Ti*.

The increase in Resources at Buckman has been based on drilling completed in 2010 where the focus was predominantly on testing copper-gold-silver targets elsewhere in the Speewah Dome.

This Resource upgrade represents partial completion of one of the key objectives in respect of the vanadium project to be delivered during 2011, which is doubling the combined total vanadium-titanium Resource including doubling of each of the Measured, Indicated and Inferred Resource categories.

R Wolanski
DIRECTOR

* 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.)

Competent Persons Statement

The information in this Report that relates to Mineral Resources is based on information provided by Alex Eves and Dr Rob Ramsay of Speewah Metals Ltd, compiled by Graham de la Mare of Runge Limited and reviewed by Aaron Green of Runge Limited. Aaron Green takes overall responsibility for the Mineral Resource Report. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Aaron Green consents to the inclusion of such information in this Report in the form and context in which it appears.

Mr Ken Rogers, Member of the Australian Institute of Geoscientists, Chief Geologist of Speewah Metals Limited, compiled the technical aspects of this report relating to the Speewah Project and content of this release. 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 (the JORC Code). Mr Rogers consents to the inclusion in the report of the matters in the form and context in which it appears.

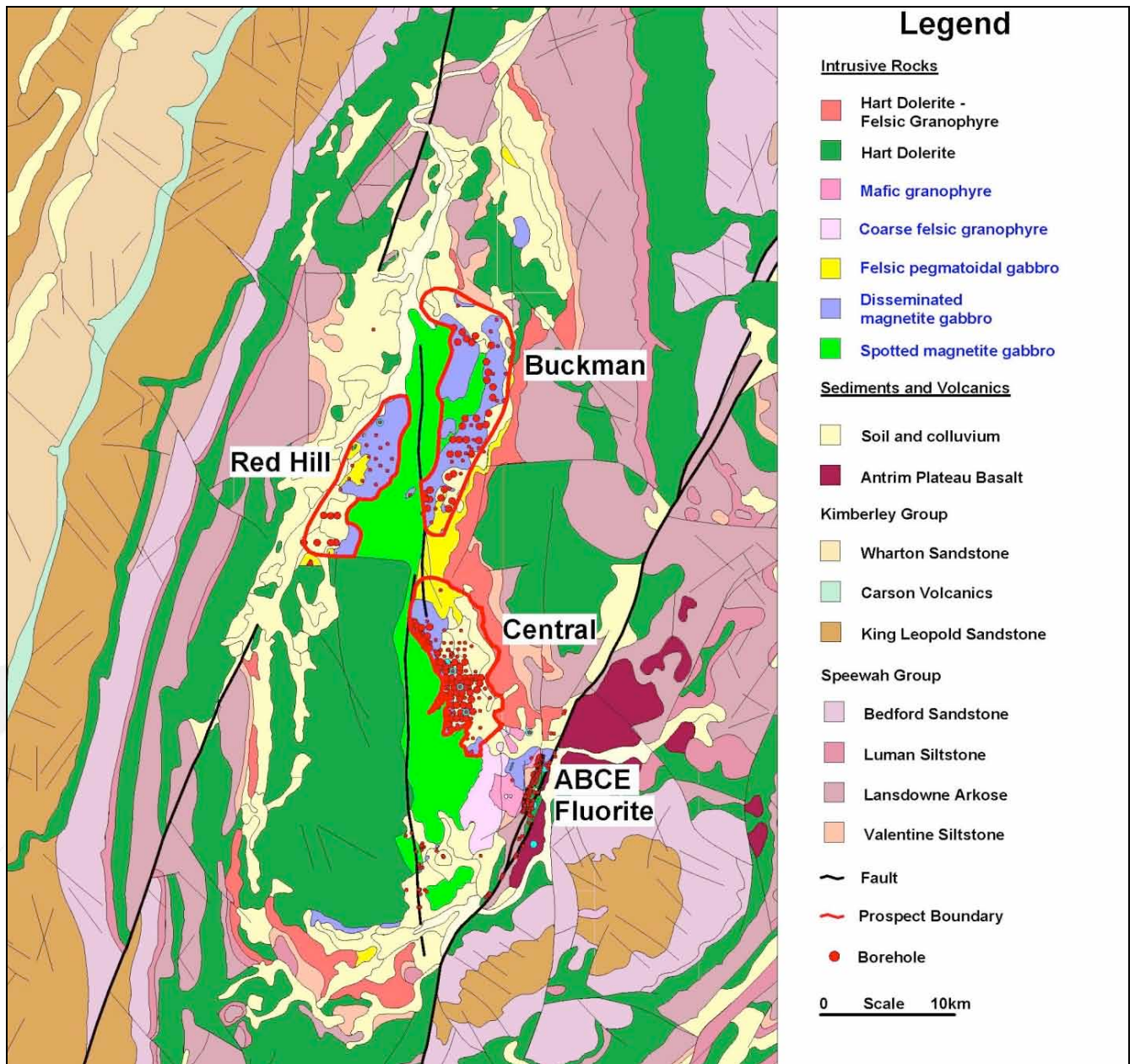


Figure 1: Location of Vanadium Mineral Resources at Speewah

Mineral Resource for the Buckman deposit within the Speewah project area is presented in Table A below:

Table A: Buckman Mineral Resource Estimate April 2011* (0.23% V₂O₅ Cut-off)

Buckman Deposit		Tonnes Mt	V %	V₂O₅ %	Fe %	Ti %
Zone	Class					
High Grade	Measured	213	0.19	0.34	15.1	2.1
	Indicated	339	0.19	0.34	14.9	2.0
	Inferred					
High Grade Total		552	0.19	0.34	15.0	2.0
Low Grade	Measured	437	0.15	0.27	14.4	1.9
	Indicated	588	0.15	0.26	14.4	1.9
	Inferred					
Low Grade Total		1,025	0.15	0.26	14.4	1.9
Combined Zones	Measured	651	0.16	0.29	14.7	2.0
	Indicated	926	0.16	0.29	14.6	1.9
	Inferred					
Grand Total		1,577	0.16	0.29	14.6	1.9

*V₂O₅ calculated as V%*1.785*

The Mineral Resource for the combined Central, Red Hill and Buckman deposits within the Speewah project area is presented in Table B below:

Table B: Speewah Mineral Resource Estimate April 2011* (0.23% V₂O₅ Cut-off)

Speewah Project		Tonnes Mt	V %	V₂O₅ %	Fe %	Ti %
Zone	Class					
High Grade	Measured	115	0.21	0.37	15.0	2.1
	Indicated	298	0.20	0.35	15.1	2.1
	Inferred	1,128	0.19	0.35	14.8	2.0
High Grade Total		1,541	0.20	0.35	14.9	2.0
Low Grade	Measured	86	0.15	0.27	14.7	2.0
	Indicated	528	0.15	0.27	14.5	1.9
	Inferred	1,411	0.15	0.26	14.6	2.0
Low Grade Total		2,025	0.15	0.26	14.6	2.0
Combined Zones	Measured	201	0.18	0.33	14.9	2.1
	Indicated	826	0.17	0.30	14.7	2.0
	Inferred	2,539	0.17	0.30	14.7	2.0
Grand Total		3,566	0.17	0.30	14.7	2.0

*V₂O₅ calculated as V%*1.785*

**Includes 2010 Resource Totals for Central and Red Hill*

Attachment 1. Notes to accompany Mineral Resource estimates:

Technical summary of grade estimation process:

Runge Limited (Runge) was contracted by Speewah Metals Limited (SPM) to provide an updated Mineral Resource estimate for the Speewah Vanadium (V) deposit. A previous Mineral Resource estimate was completed during February 2010 by Runge.

Speewah supplied all geological and sampling data and provided technical and geological support to Runge during the resource modelling process.

The resource estimate was completed using the following parameters:

- The Speewah Project covers a 17km lateral strike extent and reaches a maximum depth of 275m from surface at approximately 255mRL to -20mRL.
- The Speewah Project includes three deposits; Central, Buckman, and Red Hill. The Buckman estimate covers an 8km strike extent and is approximately 2km in width.
- Drill holes used in the resource estimate include 91 RC holes for a total of 3,694m within the resource wireframes. This total includes the 41 additional drill holes from the 2010 drill program.
- The RC holes at Buckman have been drilled on an irregular spacing averaging 250m by 200m with localised infill areas drilled at 100m by 180m, and areas of sparse drilling at 600m by 500m. Most drill lines through this deposit have approximately 5 holes on each northing line.
- RC holes were sampled at 1m intervals. The sampling method involved collecting a calico bagged sample from a trailer mounted cone splitter, while the bulk reject was collected in large plastic bags to enable further test work to be conducted.
- Sample preparation and assay was carried out by Ultratrace Laboratories in Perth. Comprehensive assaying of V, Fe and Ti was carried out routinely using XRF whilst V (check assay) and Cu were analysed using Inductively Coupled Plasma (ICP).
- V_2O_5 values were calculated using the formula $V\% \times 1.785$.
- Quality control data for the drilling has been reviewed by Runge and is considered adequate.
- A site visit was conducted in September 2009 by Aaron Green (Runge) to review the project and deposit geology, and site procedures.
- All the Buckman drill holes have been surveyed at the collar using DGPS and all were drilled vertically.
- Surface topography was supplied by SPM and covered the full extent of the deposit area.
- Existing wireframes were adjusted, or new wireframes constructed, using cross sectional interpretations based on mineralised envelopes constructed at a nominal 0.18% V cut-off for the basal high grade zone, and 0.1% V for the low grade zones. Samples within the wireframes were composited to even 1.0m intervals.
- No high grade cuts were applied to the data.
- A Surpac block model was used for the estimate with a block size of 100m NS by 50m EW by 5m vertical with sub-cells of 25m by 12.5m by 1.25m.
- Ordinary Kriging (OK) was used to estimate the Buckman Mineral Resource. Parameters were based on variography and showed a nugget of between 10% and 12% for V and a low 4% for both Fe and Ti. Variability in V, Fe, and Ti is low resulting in long modelled ranges up to 1,012m.
- Ordinary Kriging (OK) grade interpolation used an oriented 'ellipsoid' search neighbourhood adjusted to reflect the dip at various locations through the deposit. A first pass search radius set to 500m was used for all wireframe objects with a minimum sample number of 10 and a maximum sample number of 40, based on variography and drill hole spacing. The search radius was doubled for the second pass. Greater than 98% of the blocks were filled in the first two passes. A third pass radius of 2,000m was used to fill any un-estimated blocks with a minimum sample number of 4.
- An ID² interpolation was also run to check the OK estimate. The models compare favourably with the ID² estimate reporting within 0.2% difference in total tonnes with identical grades.
- A bulk density of 3.11t/m³ was determined from 59 measurements of fresh magnetite gabbro sampled from two diamond drill holes.

- The resource was classified as Indicated and Inferred Mineral Resource. The Indicated portion included areas of the deposit defined by a drill spacing of between 200m and 500m, and having robust continuity of mineralisation. The Inferred classification was applied to the more sparsely drilled portions of the deposit and where lode continuity was still good. This includes the peripheral areas of the deposit where the lodes have been extended out to prospect outlines supplied by SPM. At Buckman, the outline represents surface mapping of high grade basal magnetite along the western margin.

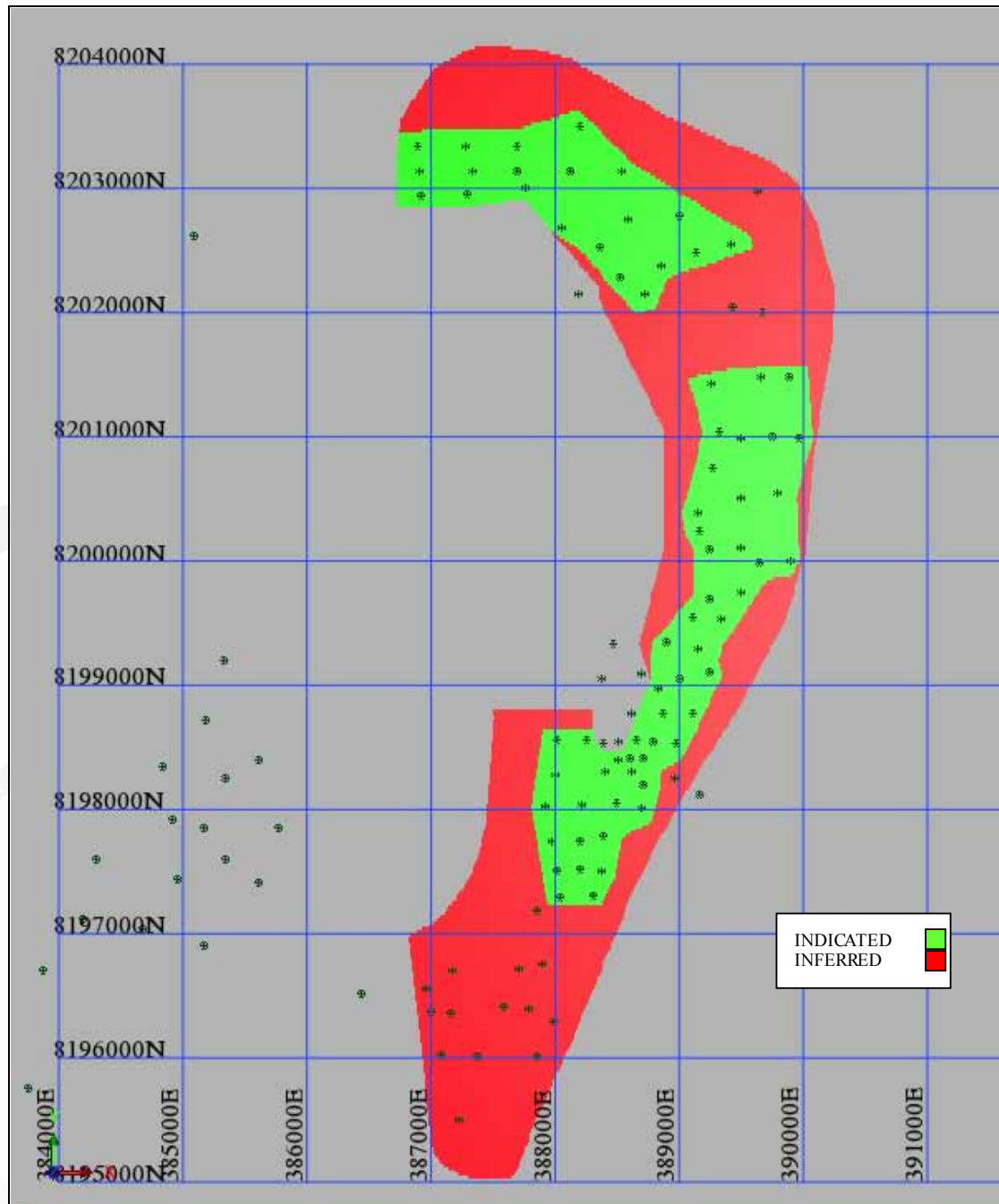


Figure 2. Buckman Deposit Block Model Classification: Green = Indicated, Red = Inferred. Dots are the drill holes used in the estimate. Grid lines at 1000m.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Richard Wolanski – Executive Director
Anthony Barton – Non Executive Chairman

SPEEWAH BACKGROUND

Speewah Metals Limited (“Speewah”) is a mining and exploration company whose **prime focus is the definition and development of its vanadium/titanium and copper/gold/silver discoveries in the East Kimberly region of Western Australia.**

The tenements contain **Australia’s largest vanadium-in-magnetite deposit with combined Measured, Indicated and Inferred Resources totaling 3,566 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 826 Mt at 0.30% V₂O₅ and an Inferred Resource of 2,539 Mt at 0.3% V₂O₅.

Various studies are currently being completed on the vanadium deposits, including a focus on metallurgical testwork, tenure, access and environmental issues. The purpose of these studies is to attract capital to fund bankable feasibility studies, development or sale of the vanadium project.

The 2011 strategy has three value-add components. Two of these are related to the 2011 Exploration programme and will be the largest exploration programme in the history of the company. These value-add components include:

1. Significantly increase to what is Australia’s and one of the world’s largest vanadium/titanium in magnetite resource, through drilling an **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. This is expected to target copper/gold mineralisation identified both 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.

The tenements also contain a high-grade, high-quality fluorite deposit with Indicated and Inferred Resources totaling 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.

Speewah Metals Limited has a 100% interest in three granted Mining Leases (M80/267, M80/268 and M80/269) and two granted exploration licenses (E80/2863 and E80/3657) and one exploration license application (ELA80/4468), covering 575 km² located about 110 km southwest of Kununurra.

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