SIGNIFICANT RESOURCE UPGRADE 32% INCREASE TO RESOURCE, 34% INCREASE TO MEASURED & INDICATED

SPEEWAH METALS LTD

ASX ANNOUCEMENT **12 March 2012**

ASX Code: SPM

Capital Structure:
Shares on Issue: 130.7m
Options on issue: 11.75m
Exercise Price: 20c – 80c
Market Cap: $27.5m (21c)

Financial Position:
Cash & Debtors: $2.4m (December Quarter end)

Board of Directors:
Non Executive Chairman: Anthony Barton

Non Executive Director: Derek Carew-Hopkins

Non Executive Director: Leon Charuckyj

Executive Director: Richard Wolanski

Projects:
Speewah Dome, 575 km^2 Kimberley, WA

Resources:
Titanium/ Vanadium:
4.7 Billion tonnes @ 0.30% V_2O_5 and 2% Ti (at 0.23% V_2O_5 cut-off grade)

Fluorite: 6.7 Million tonnes @ 24.6% CaF_2 (at 10% CaF_2 cut-off grade)

Metallurgy:
Recovery from concentrate
- Ti (+91.1%)
- V (+94.6%)
- Fe (+97.0%)

Purity of end products
- TiO_2, Fe_2O_3 (+99%)
- V_2O (+94%)

Other prospects:
Copper/Gold/Silver & Lead
Platinum

SIGNIFICANT RESOURCE UPGRADE – SPEEWAH DEPOSIT

Speewah Metals Limited ("Speewah" or "the Company") (ASX: SPM) is pleased to report a significant increase in Mineral Resources of the combined Speewah **Titanium/ Vanadium deposit** within the 100% owned Speewah Project (Figure 1).

The Speewah deposit represents 3 large Resources (Central, Buckman and Red Hill) on the Speewah tenements.

This upgrade represents:

- **32% increase to the total combined Resource at Speewah;**
- **34% increase to the Measured and Indicated Resources at Speewah.**

The total combined Mineral Resource has been updated to include all three deposits at **Central, Red Hill** and **Buckman** (Table A) (Figure 1). The **combined Measured, Indicated and Inferred Resource total is 4.7 Billion tonnes at 0.30% V_2O_5 and 2% Ti** (at 0.23% V_2O_5 cut-off grade) in the three deposits, comprising:

- Measured Resource of 322 Mt at 0.32% V_2O_5 and 2% Ti;
- Indicated Resource of 1,054 Mt at 0.33% V_2O_5 and 2% Ti, and
- Inferred Resource of 3,335 Mt at 0.29% V_2O_5 and 2% Ti.

The Mineral Resource estimation has been undertaken by Runge Limited ("Runge"). It includes assay results from the latest phase of drilling completed in 2011. The Resource tonnes, grade and classification have been estimated at a block model cut-off grade of 0.23% V_2O_5 (See attached explanatory notes provided).

DIRECTOR'S COMMENTARY

The Board is very pleased to be able to deliver another significant increase in the Ti/ V in magnetite Resource which is the largest of it's kind in Australia.

This Resource upgrade represents completion of one of the key objectives in respect of the titanium/ vanadium/ hematite project to be delivered. As well as the increase in size the drill results will provide the basis for analysis of the ore body to identify optimum pit location and design for the initial mine development and operation.

The Board believe the resource is now globally strategic in size and provides excellent opportunity for long mine life and future expansion of production, both key value drivers for shareholders.

The Board congratulates the Exploration team of Rob Ramsay, Alex Eves, Ben Andrew and Brett Sharrock.

FURTHER EXCITING RESULTS IMMINENT

The success of these results will be followed in the coming weeks with scoping level Operating & Capital cost estimates to provide an indication of project economics and further work throughout 2012 to reduce project risk of the Titanium/ Vanadium/ Hematite project.

Richard Wolanski
Director

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Competent Persons Statement

The information in this Report that relates to Mineral Resources is based on information provided by Ben Andrew, 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.

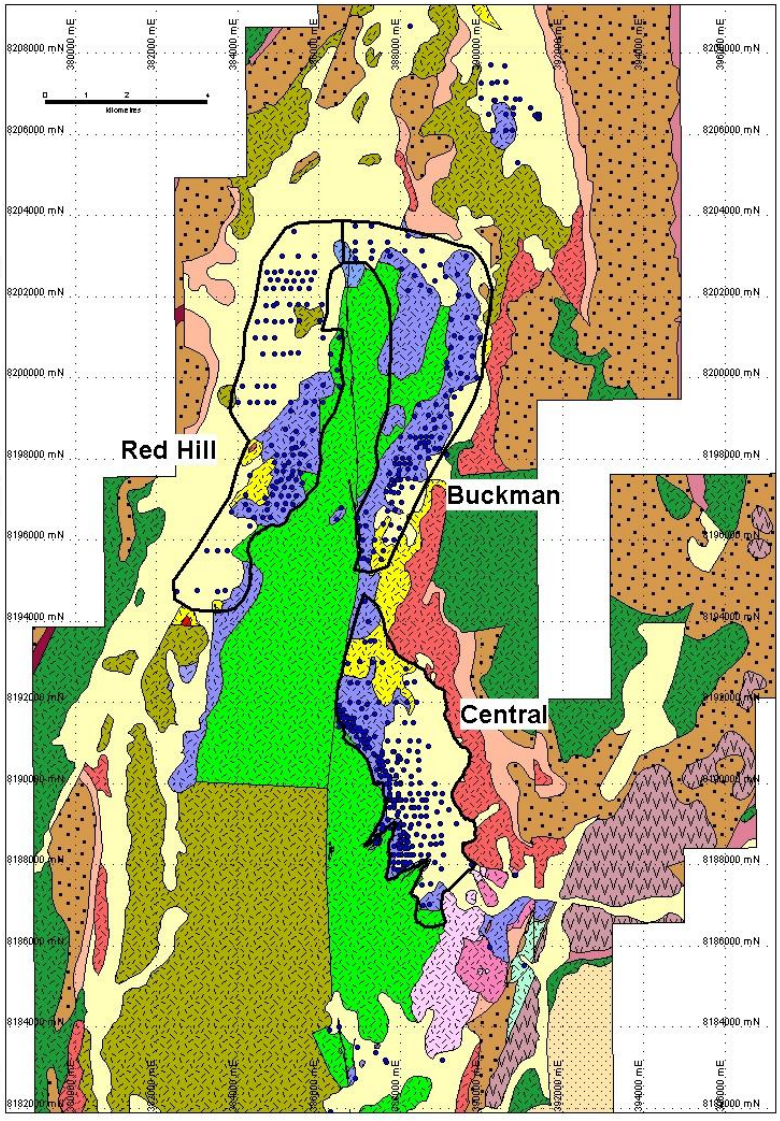

Figure 1: Location of Titanium/ Vanadium Mineral Resources at Speewah

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The Mineral Resource for the **combined Central, Red Hill and Buckman** deposits (fresh material) within the Speewah project area is presented in Table A:

Table A: Speewah Mineral Resource Estimate March 2012 (0.23% V_2O_5 Cut-off)

Speewah Project		Tonnes	V %	V_2O_5 %	Fe %	Ti %
Zone	Class	Mt				
High Grade	Measured	181	0.21	0.37	15.1	2.1
	Indicated	404	0.20	0.35	15.0	2.0
	Inferred	1,139	0.19	0.34	14.9	2.0
High Grade Total		**1,725**	**0.20**	**0.35**	**15.0**	**2.0**
Low Grade	Measured	141	0.15	0.27	14.6	2.0
	Indicated	650	0.15	0.27	14.5	1.9
	Inferred	2,196	0.15	0.27	14.4	1.9
Low Grade Total		**2,987**	**0.15**	**0.27**	**14.5**	**1.9**
Combined Zones	Measured	322	0.18	0.32	14.9	2.0
	Indicated	1,054	0.18	0.33	14.9	2.0
	Inferred	3,335	0.16	0.29	14.6	2.0
Grand Total*		**4,712**	**0.17**	**0.30**	**14.7**	**2.0**

*V_2O_5 calculated as V%*1.785*

Total does not include oxide material (218Mt at 0.29% V_2O_5 and 2.1% Ti) for which further metallurgical work is required to determine recovery.

The Mineral Resource for the **each of the Central, Red Hill and Buckman** deposits (fresh material) within the Speewah project area is presented in Table B:

Table B – Speewah Mineral Resource Estimate (0.23% V_2O_5 Cut-off)

Deposit	Tonnes Mt	V %	V_2O_5 %	Fe %	Ti %
Central	1,240	0.17	0.31	14.6	2.0
Buckman	1,495	0.16	0.29	14.7	1.9
Red Hill	1,977	0.16	0.29	14.7	2.0
Grand Total	**4,712**	**0.17**	**0.30**	**14.7**	**2.0**

*V_2O_5 calculated as V%*1.785*

Total does not include oxide material (218Mt at 0.29% V_2O_5 and 2.1% Ti) for which further metallurgical work is required to determine recovery.

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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 Titanium/ Vanadium (Ti/ V) deposit. A previous Mineral Resource estimate was completed during February 2010, with a further update for the Buckman deposit in April 2011 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 265mRL to -30mRL.
- The Speewah Project includes three deposits; Central, Buckman, and Red Hill. The Central estimate covers an 8km strike extent, Buckman covers a 9km strike extent, and the Red Hill estimate covers a 10km strike extent. The deposits are all approximately 2km in width.
- Drill holes used in the resource estimate include 433 RC holes for a total of 15,767m within the resource wireframes.
- RC holes in the resource were drilled at section spacings of between 50m and 500m at Central. The RC holes at Buckman have been drilled on an irregular spacing averaging 250m by 200m with localised infill areas drilled at 100m by 150m, and areas of wider spaced drilling at 500m by 400m. The RC holes at Red Hill have been drilled on a spacing varying from 500m by 900m to 400m by 400m. An area in the south has been drilled on a 200m by 200m staggered spacing.
- 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%*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, drilling, and site procedures.
- The majority of 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.
- The density of drilling at the three deposits is now sufficient to allow mildly weathered material to be excluded from the resource totals.
- No high grade cuts were applied to the data.
- A separate Surpac block model was used for the estimate of each deposit with a block size of 100m NS by 50m EW by 5m vertical with sub-cells of 25m by 12.5m by 1.25m at Central and Buckman. The model at Red Hill used a block size of 200m NS by 100m EW by 5m vertical with sub-cells of 50m by 25m by 1.25m.
- Ordinary Kriging (OK) was used to estimate the Speewah Resource. Parameters were based on variography and showed a nugget of between 5% and 13% for V, 4% and 10% for Fe, and 2% and 7% for Ti. Variability in V, Fe, and Ti at all three deposits is low resulting in long modelled ranges up to 1,600m.
- Ordinary Kriging (OK) grade interpolation used an oriented 'ellipsoid' search neighbourhood adjusted to reflect the dip at various locations through the deposits. Multiple search passes were used ranging between 300m and 700m for the first pass up to 2,000m for the third pass (a fourth pass was used at Central with a range of 2,500m). The Central and Buckman deposits used a minimum number of samples of 10 in the first two passes and 4 in the third pass (with 2 samples used in the fourth pass at Central). The Red Hill deposit used a minimum of 10 samples in the first pass which was reduced to 6 and then 4 samples in the next two passes. Some low grade zones with limited sample points used 4 samples in the first two passes and then 2 in the final pass. All the estimations used a maximum of 5 samples per drill hole. Greater than 96% of the blocks were estimated in the first two passes.
- A bulk density of 3.11t/m^3 was determined from 59 measurements of fresh magnetite gabbro sampled from two diamond drill holes and this value has been assigned to the mineralised zones in each of the block models.
- The resource was classified as Measured, Indicated and Inferred Mineral Resource. The Measured portion of the resource was defined where the drill spacing was drilled on a 250m by 250m regular pattern, with some closer spaced areas of 50m by 50m, and lode continuity was robust. The Indicated portion included areas where drill density was spaced at 250m to 450m and on drill lines having two or more drill holes and lode continuity was good. This includes the western edge of the Central deposit where the basal high grade footwall has been mapped at surface. The Inferred portion was applied to the more sparsely drilled portions of the deposits where lode continuity was still good.

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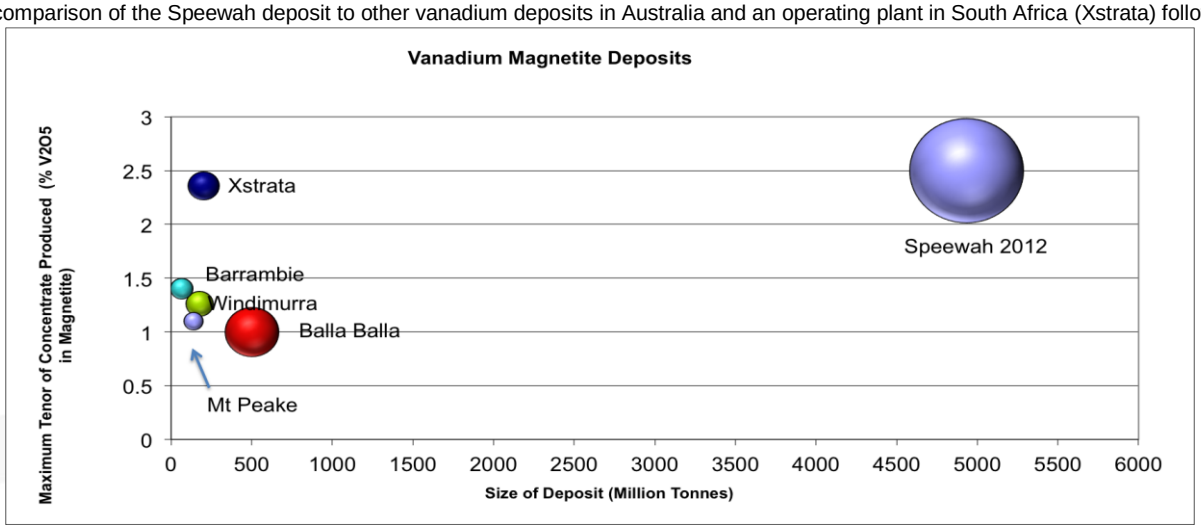
SPEEWAH BACKGROUND

Speewah Metals Limited (ASX: SPM) is a mining and exploration company whose **prime focus is the development of its titanium, vanadium and hematite project in the East Kimberly region of Western Australia**.

The tenements contain **Australia's largest titanium/ vanadium in magnetite deposit with combined Measured, Indicated and Inferred Resource totaling 4.7 Billion tonnes at 0.30% V_2O_5 and 2% Ti (at 0.23% V_2O_5 cut-off grade) in the three deposits, comprising a Measured Resource of 322 Mt at 0.32% V_2O_5 and 2% Ti, an Indicated Resource of 1,054 Mt at 0.33% V_2O_5 and 2% Ti, and an Inferred Resource of 3,335 Mt at 0.29% V_2O_5 and 2% Ti**. Once a magnetite concentrate is created the upgraded concentrate assays at 54% Fe, 2.48% V_2O_5 and 14.8% TiO_2.

A size/tenor comparison of the Speewah deposit to other vanadium deposits in Australia and an operating plant in South Africa (Xstrata) follows:



A mixed chloride acid leaching process flowsheet that produces 3 high grade end products has confirmed:

- **Ti recovery** of **91.1%** to produce **TiO_2 product** with **indicative purity +99.5% TiO_2;**
- **V recovery** of **94.6%** to produce **V_2O_5 product** with **indicative purity +94.0 V_2O_5;**
- **Fe recovery** of **97.0%** to produce **Fe_2O_3 product** with **indicative purity +99% Fe_2O_3.**

The Company has conceptualized a development at Speewah that produces 75,000 tonnes per year of TiO_2 products that would represent approximately 50% of annual revenues. The project would also produce high grade V_2O_5 (target production 11,500 tonne/year) and Hematite (Fe_2O_3) (target production 395,000 tonne/year) representing the remaining 50% of estimated revenues.

The 2012 strategy includes:

1. Scoping level capital and operating cost estimates of **Titanium, Vanadium and Hematite process flowsheet to be provided March 2012;**
2. **Pilot plant processing test facility in 2012** to demonstrate titanium/vanadium/hematite flowsheet and produce marketing sample to attract off-take and investment/strategic partners;
3. Delivery of the following **development approval requirements**:
    a. Achieving Reserve status on Vanadium/Titanium in magnetite Resource;
    b. Financial modeling and valuation of Titanium/Vanadium/Hematite project;
    c. Mining Lease;
    d. Mining Agreement with landholders;
    e. Environmental Assessment;
4. **Completion of pre-feasibility studies** on Titanium/Vanadium/Hematite project.

The tenements also contain a high-grade, high-quality fluorite deposit with Indicated and Inferred Resources totaling 6.7 Mt at 24.6% CaF_2 (at 10% CaF_2 cut-off grade), comprising an Indicated Resource of 4.1 Mt at 25.3% CaF_2 and an Inferred Resource of 2.6 Mt at 23.6% CaF_2.

Speewah Metals Limited has a 100% interest in three granted Mining Leases (M80/267, M80/268 and M80/269) and three granted exploration licenses (E80/2863, E80/3657 and E80/4468), covering 575 km^2 located about 110 km southwest of Kununurra.

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