



SPEEWAH
METALS LTD

SPEEWAH RECEIVES R&D TAX REBATE & EIS GRANT FUNDING

ASX ANNOUNCEMENT

19 June 2012

ASX Code: SPM

Capital Structure:

Shares on Issue: 130.7m
Options on issue: 11.75m
Exercise Price: 20c – 80c
Market Cap: \$18m (14c)

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 km²
Kimberley, WA

Resources:

Titanium/ Vanadium:
4.7 Billion tonnes @ 2% Ti
and 0.30% V₂O₅ (at 0.23%
V₂O₅ cut-off grade)

Fluorite:
6.7 Million tonnes @ 24.6%
CaF₂ (at 10% CaF₂ cut-off)

Metallurgy:

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

Project Scoping:

Target production
- TiO₂ 75,000 tonne pa
- V₂O₅ 12,400 tonne pa
Revenue: US\$570 million pa
NPV: US\$1.4 Billion

Other prospects:

Copper/Gold/Silver & Lead
PGE + Au

2011 RESEARCH & DEVELOPMENT TAX REBATE BANKED

TAX REBATE OF \$747,000 RECEIVED FOR 2011 FINANCIAL YEAR EXPENDITURE

Speewah Metals Limited (“Speewah” or “the Company”) (ASX: SPM) is pleased to advise that it has received a Research & Development tax rebate based on research that forms part of the 2011 Exploration Programme.

The tax rebate, received this week, totaled \$747,000 and will support working capital throughout the remainder of 2012.

Research conducted as part of the Exploration Programme completed during the 2011 Financial Year complies with the criteria set out for the Research & Development Scheme that allows the deductible cost of the research to be claimed as a Tax Rebate.

ELIGIBILITY FOR REBATE FOR 2012 FINANCIAL YEAR EXPENDITURE

Speewah expects that it will be eligible to receive a further Research & Development tax rebate based on research that forms part of exploration and detailed metallurgical testing that was completed during the 2012 Financial Year.

The metallurgical testwork has shown that the mixed chloride leach and solvent extraction process tested generated +90% recoveries of Titanium (Ti), Vanadium (V) and Iron (Fe) as 3 separate high grade end products. This testwork is a natural progression from Research & Development project that sought to define and identify the unique mineralogical deposit that forms the Speewah JORC Resource.

Approval and receipt of this rebate is expected to occur in 2nd Quarter 2013.

RECEIPT OF STAGE 2 EIS GRANT FUNDS

Speewah also recently received final payment in respect of the 2nd stage of State Government Exploration Incentive Scheme (EIS) funds for the 2011/2012 Year.

The 2nd stage grant funds totaled \$30,000 and represents grant funding support for exploration work Speewah completed earlier in the financial year.

DIRECTOR'S COMMENTARY

The compliant and audited research program that has been in place for the past 4 years has resulted in the Company being able to recover a significant portion of annual exploration expenditure as a tax rebate that is returned to working capital for future exploration. Together with State Government EIS funding received, Speewah has been able to progress its exploration and projects at an advanced rate.

Richard Wolanski
Director

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SPEEWAH METALS LTD

BACKGROUND & SYNOPSIS OF SPEEWAH METALS LTD

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 focused on exploring an extensive zone of vanadiferous and titaniferous magnetite mineralisation. This exploration has delivered Australia's largest titanium/vanadium in magnetite resource and a high grade Fluorite resource. The projects have advanced beyond exploration and have entered the feasibility and development phase.

The Titanium/ Vanadium/ Hematite Project represents the major asset and value add project for shareholders. Metallurgical studies have significantly reduced technical risk associated with the acid leach and solvent extraction processing technique and enables a focus towards development of a significant mining operation.

Initial planning envisages a mining /processing operation that produces a minimum of the following end products:

- Titanium Dioxide (TiO₂) 75,000 tonnes per year
- Vanadium Pentoxide (V₂O₅) 12,400 tonnes per year
- Hematite (Fe₂O₃) 410,000 tonnes per year
- Ammonium Sulphate (NH₄)₂SO₄ 200,000 tonnes per year

Each of the end products is expected to be produced at high grade purity levels of >98% which would enable Speewah to secure premium pricing for the end products. The recovery process and testwork confirms that modular development of a mine and process facility could see Speewah commence at lower target production levels than were used in the attached financial model and then be scaled up to match capital availability and product demand.

Subject to adequate funding, the objectives for the next 12 months include:

1. Construction and completion of a pilot plant processing facility to demonstrate titanium/vanadium/hematite flowsheet and produce marketing sample to attract off-take and investment/strategic partners;
2. Input pilot plant results into pre-feasibility studies that will deliver optimised flowsheet, operating, and capital cost estimates that have the potential to significantly increase the existing project valuation of US\$1.4 Billion.
3. Delivery of the following development approval requirements:
 - a. Achieving Reserve status on Titanium/Vanadium in magnetite Resource;
 - b. Mining Lease;
 - c. Mining Agreement with landholders;
 - d. Application for Environmental Impact Assessment.
4. Commencement of definitive feasibility studies on Titanium/Vanadium/Hematite project.

These objectives are designed to reduce commercial risk and facilitate mine development.

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