

RC Drilling Program underway at Penny West

Spectrum Metals Limited (“SPX” or “the Company”) is pleased to announce that a 4,500m Reverse Circulation (“RC”) drilling program has commenced at its Penny West gold project in Western Australia.

The program is SPX’s maiden drill program and has commenced just two months after completion of the Penny West project acquisition.

Key Points

- SPX’s maiden RC drilling program has commenced at Penny West.
- The main aim of the 4,500m program is to test the down dip and down plunge extents of the high-grade mineralisation already identified below the historic open pit mine.
- Two additional targets include the potential off-set position of the Penny West lode to the north of the open pit and the projected down plunge mineralisation at the Magenta prospect a further 2km to the north, highlighted by the recent auger geochemistry program.
- The program consists of a total of 24 holes across the three targets with a hole depth averaging 188m.

Commenting on the maiden drilling program, Spectrum’s Managing Director, Paul Adams said:

“We are extremely pleased to announce the commencement of RC drilling at Penny West, so soon after the completion of the acquisition. The program is aimed at filling in the “blanks” in and around the existing high-grade mineralised envelope and to extend our knowledge of the mineralising system at Penny West, at depth below the open pit. The additional targets north of the historic Penny West open pit drilled in this program could potentially open up new areas of focus for the company and several other targets are still to be tested in future drilling programs.”

ASX CODE: SPX

CAPITAL STRUCTURE

Share Price	\$0.005
Shares On Issue	1051m
Market Cap	\$5.3m
Options Unlisted	77.5m

MAJOR SHAREHOLDERS

Patina Resources PL	11.9%
A. Barton & Assocs	6.8%
Moutier Hldgs	3.6%
Mainview Hldgs	2.9%
Plateaux Resources	2.8%

DIRECTORS / MANAGEMENT

Alexander Hewlett
Executive Chairman

Paul Adams
Managing Director

James Croser
Technical Director

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RC Drill Program at Penny West

Most of the holes in this RC program are dedicated to further define and extend the mineralized envelope below the Penny West open pit. During the due diligence process SPX identified several zones in the plane of the lode under the open pit where high-grade mineralisation intersected in historic holes had not been closed off. The “gaps” in the high-grade positions of the lode and the down-plunge extents beyond the current mineralized envelope are the major focus areas in this program.

SPX anticipates the final assay results will be received during April. The tighter drill spacing in the high-grade zones will greatly increase the confidence in the interpretation and will feed into an updated JORC 2012 resource estimate.

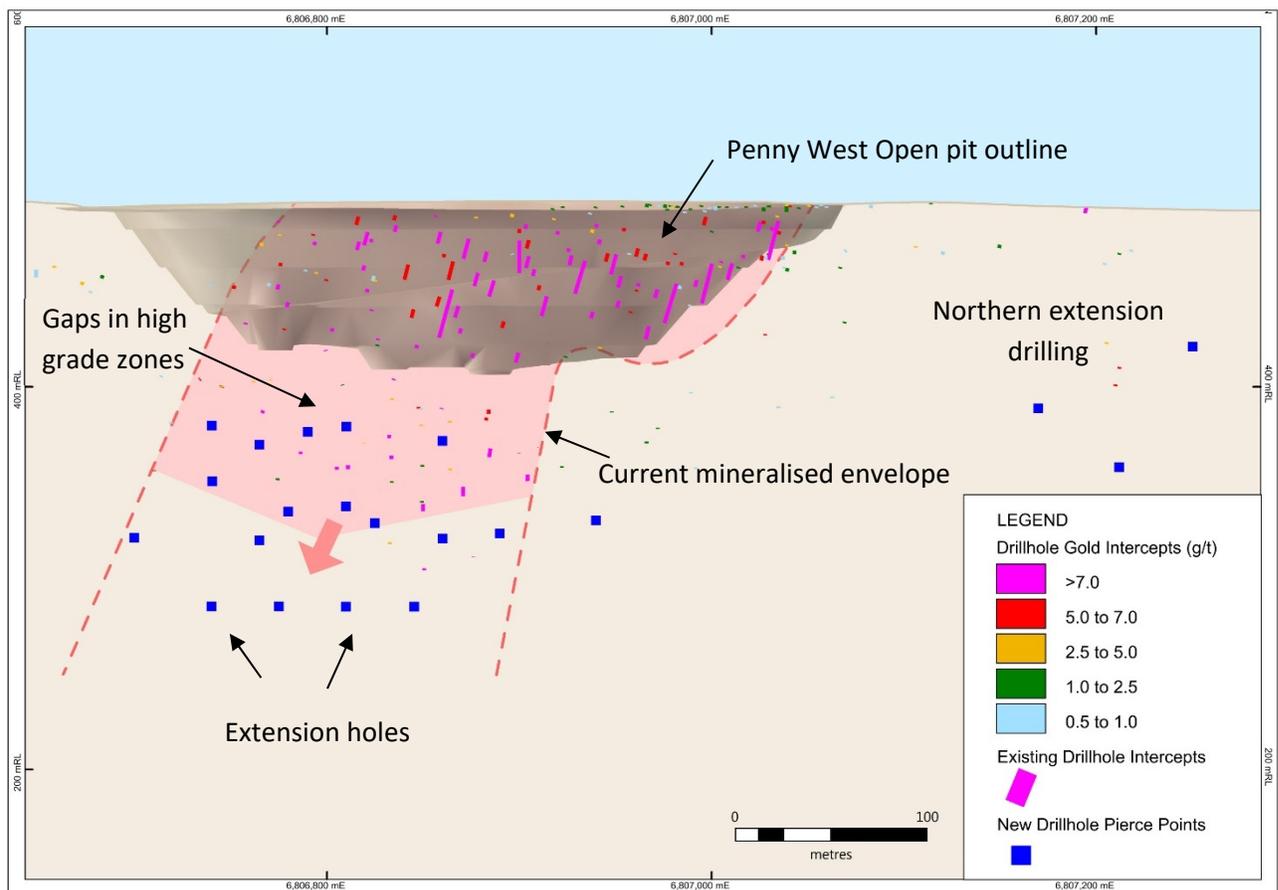


Figure 1. Long section through Penny West deposit with current open pit outline and pierce points

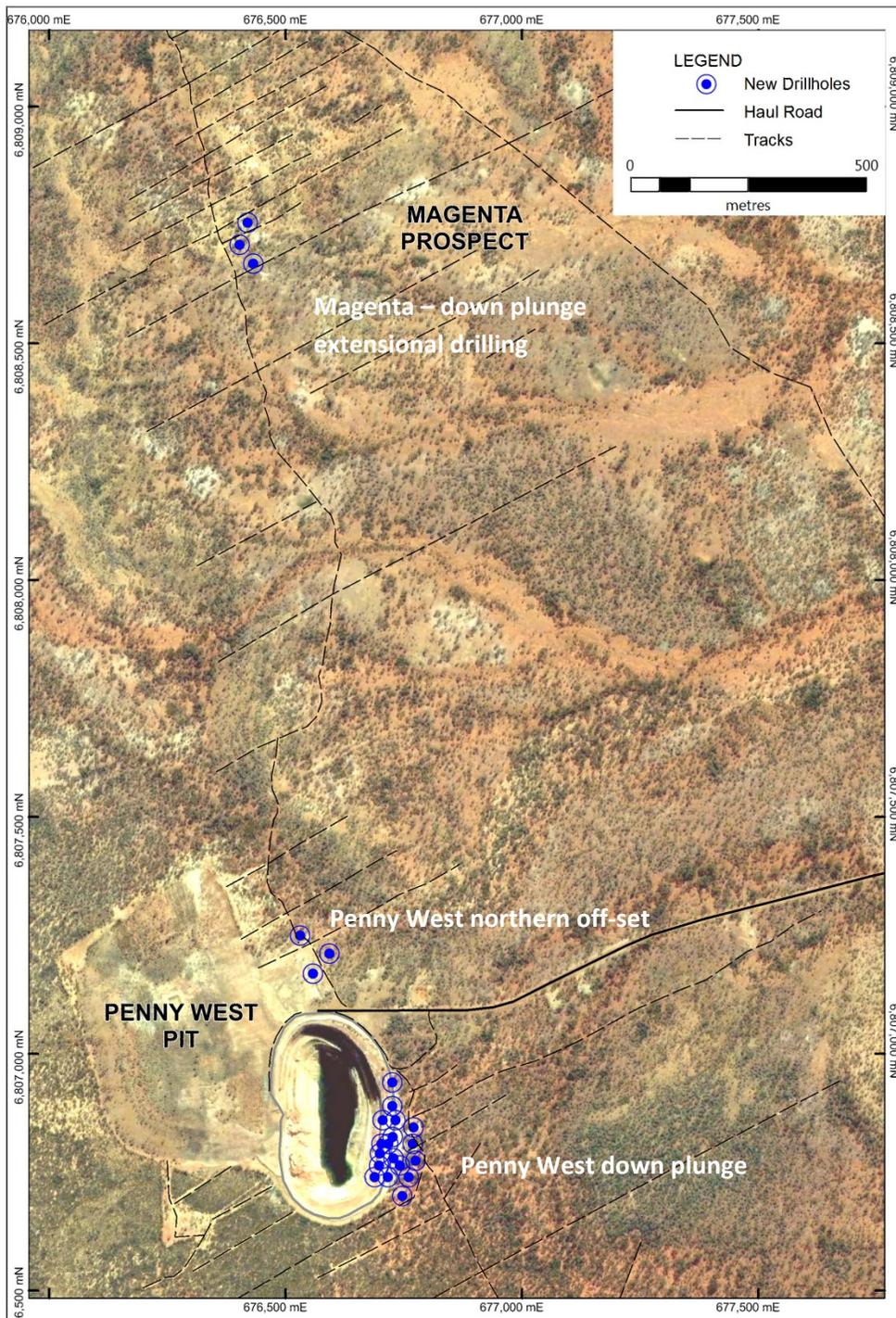


Figure 2. Drill hole collar location plan, Penny West Project

In addition, three holes are designed to test for mineralisation down-plunge of the historic drill intersections at the Magenta Prospect.

Table 1. Penny West Reverse Circulation – Planned Drill collars

Area	Site ID	Design East	Design North	Design Grid ID	Type	Max Depth (m)	Collar Dip (Decimal degrees)	Collar Azimuth (Decimal degrees)	Azimuth Type
Magenta	SPWX001	676419	6808755	MGA94_z50	RC	110	-60	242	GDA94
Magenta	SPWX002	676402	6808709	MGA94_z50	RC	86	-60	242	GDA94
Magenta	SPWX003	676431	6808669	MGA94_z50	RC	108	-60	242	GDA94
PennyWest	SPWX005	676725	6806890	MGA94_z50	RC	220	-60	270	GDA94
PennyWest	SPWX006	676710	6806860	MGA94_z50	RC	178	-50	270	GDA94
PennyWest	SPWX007	676732	6806860	MGA94_z50	RC	221	-60	270	GDA94
PennyWest	SPWX008	676770	6806845	MGA94_z50	RC	266	-60	270	GDA94
PennyWest	SPWX009	676702	6806810	MGA94_z50	RC	168	-50	270	GDA94
PennyWest	SPWX010	676717	6806810	MGA94_z50	RC	200	-60	270	GDA94
PennyWest	SPWX011	676726	6806825	MGA94_z50	RC	221	-60	270	GDA94
PennyWest	SPWX012	676768	6806810	MGA94_z50	RC	266	-60	270	GDA94
PennyWest	SPWX013	676708	6806790	MGA94_z50	RC	172	-50	270	GDA94
PennyWest	SPWX014	676728	6806780	MGA94_z50	RC	204	-60	270	GDA94
PennyWest	SPWX015	676774	6806775	MGA94_z50	RC	266	-60	270	GDA94
PennyWest	SPWX016	676697	6806765	MGA94_z50	RC	161	-60	270	GDA94
PennyWest	SPWX017	676741	6806765	MGA94_z50	RC	221	-60	270	GDA94
PennyWest	SPWX018	676703	6806740	MGA94_z50	RC	160	-55	270	GDA94
PennyWest	SPWX019	676716	6806740	MGA94_z50	RC	185	-60	270	GDA94
PennyWest	SPWX020	676760	6806740	MGA94_z50	RC	266	-60	270	GDA94
PennyWest	SPWX021	676557	6807170	MGA94_z50	RC	140	-60	270	GDA94
PennyWest	SPWX022	676592	6807212	MGA94_z50	RC	175	-60	270	GDA94
PennyWest	SPWX023	676530	6807250	MGA94_z50	RC	101	-60	270	GDA94
PennyWest	SPWX024	676725	6806940	MGA94_z50	RC	210	-60	270	GDA94
PennyWest	SPWX025	676746	6806700	MGA94_z50	RC	220	-60	270	GDA94

-ENDS-

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About Spectrum Metals Ltd

Spectrum Metals Limited (ASX: SPX) is a domestic West Australian focused gold exploration and development company. Concentrating on high-grade, brown fields assets, that can leverage off existing infrastructure and add value through exploration and development. Spectrum will continue to identify and explore under explored terrain and brown fields assets through the use of modern techniques and technology to maximise success.

Competent Person Statement

The information in this announcement as it relates to exploration results and/or geology was compiled by Mr Alex Hewlett, who is a Member of the Australasian Institute of Mining and Metallurgy ('AusIMM') and a consultant to the Company. Mr. Hewlett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC Code 2012'). Mr. Hewlett consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.

Forward Looking Statements

Statements regarding Spectrum's plans with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that Spectrum's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Spectrum will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Spectrum's mineral properties. The performance of Spectrum may be influenced by a number of factors which are outside the control of the Company and its Directors, staff and contractors.