

Speewah Metals Limited

Next quarter is expected to be a transformational period for the worlds largest titanomagnetite deposit

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Investment Opportunity

Speewah Metals Limited ('Speewah' or 'the Company') owns 100% of the 575km² Speewah Dome project which host's a world class JORC resource of titanomagnetite measuring some 3.6Bt in the Eastern Kimberley region of Western Australia. This resource will be further increased by the 20,000 metres of drilling completed in 2011.

Initial and ongoing metallurgical studies have identified that the titanium, vanadium and iron metals readily dissolve in mixed chloride acid solutions over 120 minutes, at 70°C and at atmospheric pressures. This supports the potential to mine the massive resources at the Speewah Dome and produce a concentrate at a grade of 54% Iron, 14.8% Titanium, 2.48% Vanadium, acid bath the concentrates to dissolve the metals, and then recover three products (revenue split ~50%:35%:15% Titanium Dioxide: Vanadium Pentoxide: Hematite) from solvent extraction and acid regeneration methods.

The ability to produce a high grade (+99%), low impurity metal oxide with favourable recoveries (+90%) supports Speewah's ambitions to develop a modular, significant scale project. The project is well located to mining infrastructure being ~110km of Kununurra, 100km south of the port of Wyndham, and ~35km from Rio Tinto's Argyle diamond mine.

Review of 2011

The results of the 2011 field season are expected to support Speewah's resource increasing from the already huge 3.6Bt (an in-situ titanium/vanadium metal value of +A\$1trillion) towards ~6Bt making it the largest JORC (or equivalent) titanomagnetite deposits in the world, with ~2Bt of this resource expected to be in Measured and Indicated categories. While it has cost the Company \$8-10m to get to the 3.6Bt resource and then only ~\$1m to then increase this to ~6Bt (with further exploration upside), the resource upgrade in 1Q'12 is expected to mark the end of the Company being an exploration play. The resource upgrade (both tonnage and confidence) coupled with detailed metallurgical results (also in 1Q'12), will support Speewah becoming a development play of a truly strategic scale asset with extremely attractive/unique mineralogy which is expected to produce an attractive suite of premium quality products.

On December 16th, Atlas Iron announced that it had sold its Balla Balla iron/vanadium/titanium project to Forge Resources for A\$40m cash and a royalty. Balla Balla is a comparable project to Speewah (albeit with a variation in product mix being a predominately iron ore product with some titanium/vanadium), but it does not have the economies of scale to be considered a strategic asset with initial capex of A\$1.2b under Aurox's Feb'10 DFS. The Balla Balla transaction will help bring attention to what is a non-vanilla project/product mix at a time when Speewah is about to announce a number of significant break-through milestones which will highlight its: higher value add product mix; resource being +10x larger; and favourable staged economics, with Speewah's capitalisation being at a significant discount (EV of ~A\$25m v A\$40m cash and royalty).

Outlook for 2012

The first quarter of 2012 is expected to be a transformational period for the Company. The following key developments are expected to highlight the truly strategic nature of the Speewah Dome project and significantly de-risk the Company's development plans:

- 1) Significant Resource Upgrade** – The existing 3.6Bt JORC resource is expected to increase +50% towards ~6Bt making it the largest titanomagnetite deposit in the world, with ~2Bt in Measured and Indicated categories.
- 2) Extremely Favourable Met Testing results** – Expected to confirm initial results and highlight the high recoveries and purities of Speewah's end concentrate supporting the world's largest titanomagnetite resource, and being able to produce an attractive suite of premium products.
- 3) Positive Initial Scoping Study** – Due to the favourable met results and flat lying nature of the orebody the economics of the project are expected to be very compelling. Speewah is looking to undertake a modular development approach thus supporting a capex profile that the Company believes it will be able to fund. The met tests and scoping study will address the question of what exactly is that nature of Speewah's project, ie currently it is a mixture of vanadium/PGM/CU/titanium/iron, but it will become clear that the base line development project is a predominately titanium project with vanadium and attractive iron ore credits.

In 2Q'12, the Company plans to construct a pilot plant to optimise the current flow sheet, prove its concept and advance discussions with offtake and strategic partners before a Bankable Feasibility Study is completed by year end. In addition, environmental permits and a mining lease are expected to be in place in 2012.

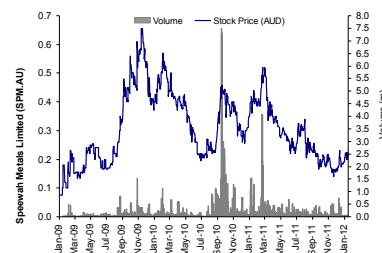
OCEAN EQUITIES

Titanium, Vanadium, Iron Ore – AUSTRALIA

16th January 2012

Market Cap	A\$29.4m
Listing:Ticker	ASX:SPM
Share Price	A\$0.225
Shares o/s	130.7m
52 week High/Low	A\$0.55 / 0.135
Cash (30/9/11)	A\$4.7m

Resources	3.6Bt @ 2% Ti, 0.3%
(M,I&I)	V ₂ O ₅ , 14.7% Fe
	6.7Mt @ 24.6% CaF ₂



Source: Bloomberg

Highlighted Related Research:

4th May'11 "Vanadium Resource Upgrade to 3.6bt at 0.3% V₂O₅ and 2% Ti – One of the Largest Vanadium Resources in the World."

4th Apr'11: "Defining the plan for 2011"

17th Jan'11: "Exceptional Copper Surface Sample of 27.2% Cu at Speewah: New Target Identified"

16th Sep'10 "A New Copper Province in Australia's Kimberley – Initiation of Coverage"

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*Refer to the final page of this report for the full Ocean Team's contact details

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All pricing as at COB January 13th unless otherwise stated.

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