



STRZELECKI
Metals Limited

(Formerly: Primary Resources Limited)

ABN 35 116 249 060

Notice of Annual General Meeting

Strzelecki Metals Limited

ACN 116 249 060

Date: 19 November 2009

Time: 11:00 am (Adelaide time)

Place: PKF Chartered Accountants

Level 2

139 Frome Street,

Adelaide South Australia 5000

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Strzelecki Metals Limited ACN 116 249 060 (**'Strzelecki' or 'the Company'**) will be held at the offices of PKF Chartered Accountants, Level 2, 139 Frome Street, Adelaide South Australia on **19 November 2009** at **11:00 am** (Adelaide time).

ORDINARY BUSINESS:

1. Financial and other Reports

To receive and consider the Company's financial report and reports of the directors and of the auditor for the financial year ended 30 June 2009.

2. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the period ended 30 June 2009 be adopted."

Note - the vote on this item is advisory only and does not bind the Directors or the Company.

3. Election of Directors

3.1 RE-ELECT DIRECTOR – Cal William Dorsch

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Carl William Dorsch, being the director who has been longest in office, retiring by rotation in accordance with clause 59 of the Constitution of the Company and being eligible for re-election, be re-elected as a Director of the Company."

3.2 ELECT DIRECTOR – Andrew Paul Zemek

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Andrew Paul Zemek, a director appointed as an additional Director in accordance with clause 58.1 and retiring in accordance with clause 58.2 of the Constitution of the Company, be elected as a Director of the Company."

4. Approval of issue of ordinary shares to Carl Dorsch

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 500,000 fully paid ordinary shares in the Company, no later than one (1) month after the date of this meeting, at \$0.001 per share to Carl William Dorsch is approved and authorised."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 4 cast by:

- (a) Mr Carl Dorsch; and
- (b) any associate of Mr Carl Dorsch.

However, the Company is not required to disregard a vote if:

- (c) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Approval of 7 September 2009 share issue

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue on 7 September 2009 of a total of 16,400,000 fully paid ordinary shares in the Company at \$0.05 per share to sophisticated investors on the basis set out in section 5 of the Explanatory Memorandum accompanying the notice convening this meeting, is approved and authorised."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 5 cast by:

- (a) shareholders who participated in the issue referred to in that resolution; and
- (b) any associate of those shareholders.

However, the Company is not required to disregard a vote if:

- (c) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Approval of Proposed Share Placement

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue, not later than three (3) months after the date of this general meeting, of up to 30,000,000 fully paid ordinary shares in the capital of the Company, at a price of not less than eighty per cent (80%) of the average market price on ASX Limited (‘ASX’) calculated over the last five (5) days on which sales in the Company’s ordinary shares were recorded before the day on which the issue is made, to qualified clients of member firms of ASX or sophisticated or professional investors at the discretion of the Board, on the terms described in the accompanying Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on Resolution 6 by:

- (a) a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed; and
- (b) an associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a persons who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Approval of Past Issue of Unlisted Options

7.1 To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 1,000,000 unlisted options over ordinary shares in the Company and which have an exercise price of \$0.25 per option and an expiry date of 31 December 2010 to Taylor Collison Limited on the basis set out in section 5 of the Explanatory Memorandum accompanying the notice convening this meeting, is approved and authorised.”

7.2 To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 1,000,000 unlisted options over ordinary shares in the Company and which have an exercise price of \$0.25 per option and an expiry date of 16 January 2012 to Gerard Kaczmarek on the basis set out in section 5 of the Explanatory Memorandum accompanying the notice convening this meeting, is approved and authorised.”

7.3 To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 2,000,000 unlisted options over ordinary shares in the Company and which have an exercise price of \$0.10 per option and an expiry date of 23 July 2012 to Andrew Zemek on the basis set out in section 5 of the Explanatory Memorandum accompanying the notice convening this meeting, is approved and authorised.”

Voting exclusion statement

The Company will disregard any votes cast on Resolutions 7.1, 7.2 and 7.3 cast by:

- (a) shareholders who participated in the issues referred to in those resolutions; and
- (b) any associate of those shareholders.

However, the Company is not required to disregard a vote if:

- (c) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. Approval of Sale of Yandeyarra Project

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of section 208(1) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the sale of the Company’s Yandeyarra Project to Farno-McMahon Pty Ltd, an entity associated with Mr Carl Dorsch, on the terms and conditions described in the Explanatory Memorandum accompanying the notice convening this meeting.”

Voting exclusion statement

The Company will disregard any votes cast on Resolution 8 by:

- (a) Farno-McMahon Pty Ltd;
- (b) Mr Carl Dorsch; and
- (c) any associate of Farno-McMahon Pty Ltd.

However, the Company will not disregard a vote if:

- (d) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (e) it is cast by the person chairing the meeting as proxy for a persons who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

OTHER BUSINESS:

To deal with any other business that may legally be brought forward in accordance with the Constitution and the *Corporations Act 2001*.

By Order of the Board

Graham Seppelt

Company Secretary

Dated: 16 October 2009

Adelaide, South Australia

GENERAL NOTES:

9. Background Information

To assist you in deciding how to vote on the above resolutions, further details as background information to the resolutions are set out in the Explanatory Memorandum forming part of this notice of meeting.

To view the Company's Annual Report online please visit the Company's website at www.strzeleckimetals.com.au.

10. Questions from shareholders

The chairman of the meeting will allow a reasonable opportunity for stakeholders to ask questions or make comments on the management of the Company at the meeting.

Justin Humphrey of Grant Thornton Chartered Accountants, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2009 (or his representative) will attend the meeting. The chairman of the meeting will allow a reasonable opportunity for the members as a whole to ask the auditor questions at the meeting about:

- The conduct of the audit;
- The preparation and content of the auditor's report;
- The accounting policies adopted by the company in relation to the preparation of the financial statements; and
- The independence of the auditor in relation to the conduct of the audit.

To assist the board of directors and the auditor of the Company in responding to any questions you may have, please submit any questions you may have headed '**Questions from shareholders**' to the address below to be received no later than 5.00pm (CST) on 11 November 2009.

In person or by mail: Registered Office - Level 5, 70 Pirie Street, Adelaide South Australia 5000

By Facsimile: +61 8 8223 3235

As required by section 250PA of the *Corporations Act 2001* (Cth), the Company will distribute a list of questions prior to the commencement of the annual general meeting, setting out the questions received and directed to the auditor in writing at least 5 business days prior to the meeting that the auditor considers relevant to the content of the audit report or the conduct of the audit of the financial report for the year ended 30 June 2009. The chairman of the meeting will allow reasonable opportunity for the auditor to respond to the questions set out on this list.

11. Voting Restrictions

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on:

- Resolution 4 by Carl Dorsch or any of his Associates;
- Resolution 5 by any shareholders who participated in the issue referred to in that resolution or any of their associates;
- Resolution 7.1 by Taylor Collison Limited or any of its Associates;
- Resolution 7.2 by Gerard Kaczmarek or any of his Associates;
- Resolution 7.3 by Andrew Zemek or any of his Associates;
- Resolution 8 by Farno-McMahon Pty Ltd or any of its Associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

12. Voting Entitlement

The Company has determined that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at close of business (Adelaide time) on 17 November 2009, subject to the Constitution of the Company.

13. Proxies

A Shareholder who is entitled to attend and vote at the meeting has a right to appoint a proxy and should use the proxy form accompanying this document. The proxy need not be a Shareholder.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting. The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms or the original of such other authority (if any) under which the proxy form is signed must be received by Computershare at Level 5, 115 Grenfell Street, Adelaide SA 5000 or GPO Box 242, Melbourne, VIC 3001 or by fax (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555 not later than 48 hours before the commencement of the meeting.

14. Custodian Voting – For Intermediary Online subscribers only (Custodians) please visit www.intermediaryonline.com to submit your voting intentions.

EXPLANATORY MEMORANDUM

Item 1 Financial and other Reports

The *Corporations Act 2001* (Cth) requires the annual report (which includes the financial statements and directors' declaration), the directors' report and the auditor's report in respect of the financial year of Strzelecki Metals Limited ("**Strzelecki**") ended 30 June 2009 to be laid before the 2009 Annual General Meeting. Shareholders will be given an opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of Strzelecki.

Item 2 Adoption of Remuneration Report

Section 240L and 250R of the *Corporations Act 2001* (Cth) require that a resolution that the Remuneration Report be adopted must be put to the vote at the Company's annual general meeting. The vote on this resolution is advisory only and does not bind the directors or the Company.

The Remuneration Report is set out on pages 26 to 29 of the 2009 Annual Report. An electronic copy of the Strzelecki Metals Annual Report can be located on the company's web site at www.strzeleckimetals.com.au/corporate_documents.php

The vote on this item is advisory only and will not bind the Directors.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

Item 3 Election of Directors

Item 3.1 – Re-election of Director Mr Carl William Dorsch

Clause 59.1 of the Company's Constitution requires that at each Annual General Meeting one-third of the Directors must retire from office. A Director appointed during the year either to fill a casual vacancy or as an addition to the Directors is not taken into account in determining the Directors who must retire by rotation. Therefore, Mr Carl Dorsch, being the Director who has longest been in office, retires by rotation and is eligible for re-election at the Annual General Meeting on 19th November 2009. In accordance with clause 59.2 of the Company's Constitution, Mr Carl Dorsch has submitted himself for re-election at the Annual General Meeting as a Director.

Mr Carl Dorsch's details are set out in the 2009 Annual Report.

The Directors (other than Mr Dorsch) unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

Item 3.2 – Election of director Mr Andrew Paul Zemek.

During the year Mr Andrew Zemek was appointed a Director by the Board of Directors. In accordance with clause 58 of the Company's Constitution, a Director appointed by the Board holds office until the Annual General Meeting and is then eligible for election. Mr Zemek seeks election as a Director of the Company.

Mr Zemek's details are set out in the 2009 Annual Report.

The Directors (other than Mr Zemek) unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

Item 4 Approval of issue of ordinary shares to Mr Carl Dorsch

During 2008, the Company appointed a Chief Executive Officer. At that point in time, Mr Carl Dorsch agreed to step down as Executive Director, but retain the position of Non-executive Director.

As part of the transition of responsibilities, and in place of accumulated annual and long service leave entitlements, the Board agreed to issue to Mr Carl Dorsch 500,000 ordinary shares, subject to shareholder approval, from the Primary Resources Employee Share Trust. This Trust had been set up prior to the listing of the company on ASX on 1 March 2006 with the issue of shares to the Trust at \$0.001 per share and the objective of providing reward to employees and contractors of the company for services rendered.

Accordingly, shareholder approval of the issue of securities to Mr Carl Dorsch is being sought for the purposes of ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

If approval is given, the shares will be issued no later than one month after the date of the meeting to which this Explanatory Memorandum relates.

The Directors (other than Mr Dorsch), unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

Item 5 Approval of 7 September 2009 share issue

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the value of the other securities issued within that 12 month period, exceed 15% of the number of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of the members of the company in general meeting is obtained. The Company has not exceeded the 15% threshold.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the Company's members subsequently ratify it. The effect of such ratification is to restore the Company's discretionary power to issue further shares up to 15% of the number of the Company's issued shares at the beginning of the relevant 12 month period without obtaining shareholder approval.

Shareholder approval of Resolution 5 will provide the Company with added flexibility in raising funds because it:

- renews the Company's capacity to issue further shares and options (to a limited extent) without exceeding the 15% limit in ASX Listing Rule 7.1; and
- allows the Company to issue further shares and options at short notice (without exceeding the 15% limit in ASX Listing Rule 7.1) and without seeking shareholder approval, where the resulting delay could compromise the success of a commercial transaction.

The Company is seeking shareholder approval of the issue on 7 September 2009 of a total of 16,400,000 fully paid ordinary shares in the Company at a price of \$0.05 per share to sophisticated investors to raise \$820,000.

The purpose of this capital raising is to assist with the advancement of the Company's Myszkow Project in Poland, and for working capital.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

Item 6 Approval of Proposed Share Placement

Background

Under Resolution 6, the Board of the Company seeks shareholder approval for the issue of shares set out below, for the purpose of satisfying ASX Listing Rule 7.1.

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6. If approval is obtained:

- up to 30,000,000 shares will be issued;
- the shares will be issued no later than three (3) months after the date of the meeting to which this Explanatory Memorandum relates;
- the shares will be issued for a minimum price that is at least 80% of the average market price for shares calculated over the last five (5) days on which sales of shares were recorded before the date on which the issue is to be made;
- the shares will be issued to qualified clients of member firms of ASX or sophisticated or professional investors at the discretion of the Board;
- the shares will rank equally in all respects with the Company's existing shares on issue;
- funds raised by the issue of the shares will be used to fund ongoing exploration and for working capital; and

- the allotment of the securities will occur progressively.

Reasons for seeking shareholder approval

Under ASX Listing Rule 7.1, the Company cannot make the further placement of shares under Resolution 6 without the approval of shareholders

The Directors unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

Item 7 Approval of past issue of unlisted options to specific entities or persons

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the value of the other securities issued within that 12 month period, exceed 15% of the number of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of the members of the company in general meeting is obtained. The Company has not exceeded the 15% threshold.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the Company's members subsequently ratify it. The effect of such ratification is to restore the Company's discretionary power to issue further shares up to 15% of the number of the Company's issued shares at the beginning of the relevant 12 month period without obtaining shareholder approval.

Shareholder approval of Resolutions 7.1, 7.2 and 7.3 will provide the Company with added flexibility in raising funds because it:

- renews the Company's capacity to issue further shares and options (to a limited extent) without exceeding the 15% limit in ASX Listing Rule 7.1; and
- allows the Company to issue further shares and options at short notice (without exceeding the 15% limit in ASX Listing Rule 7.1) and without seeking shareholder approval, where the resulting delay could compromise the success of a commercial transaction.

The Company is seeking shareholder approval of the following issues of unlisted options:

- 1,000,000 unlisted options over fully paid ordinary shares in the Company and which have an exercise price of \$0.25 per option and an expiry date of 31 December 2010 to Taylor Collison Limited. These options were granted on 16 January 2009.
- 1,000,000 unlisted options over fully paid ordinary shares in the Company and which have an exercise price of \$0.25 per option and an expiry date of 16 January 2012 to Gerard Kaczmarek. These options were granted on 16 January 2009.
- 2,000,000 unlisted options over fully paid ordinary shares in the Company and which have an exercise price of \$0.10 per option and an expiry date of 23 July 2012 to Andrew Zemek. These options were granted on 30 July 2009. Mr Zemek was not a Director of the Company at the time of the allotment of these options.

No amounts were paid by the allottees on the issue of the options.

These options were issued as part consideration under service contracts between the Company and the allottees. The purpose of these options is to provide a reward framework to align service providers' inputs with achievement of strategic objectives and the creation of value for shareholders.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

Item 8 Approval of sale of Yandeyarra Project

Located approximately 100km south west of Port Hedland, the Company's Yandeyarra Project is situated in the Yandeyarra region of the west Pilbara in Western Australia ('**Project**'). The Project consists of the Company's:

- interests in three granted Exploration Licence and three Exploration Licence Applications;
- contractual right to explore for alluvial gold over seven Exploration Licences and four Mining Leases plus one Mining Lease Application held by Chalice Gold Mines Limited ('**Chalice**'); and

- assets located on these tenements, including an alluvial gold plant, generators, pumps, excavators, loaders, camp and contents and other ancillary equipment.

The Board has determined that the Company should dispose of the Yandeyarra Project in order to concentrate on other prospects and opportunities. The Project is not a 'substantial asset' within the meaning of the ASX Listing Rules and accordingly, does not attract the operation of ASX Listing Rule 10.1. The Board furthermore does not consider the sale of the Project to be material to the Company or its prospects.

After unsuccessfully seeking third party bidders for the Project through an independent sale process, the Company entered into an agreement ('**Sale Agreement**') for the sale of the Project to Farno-McMahon Pty Ltd, an entity associated with a Director of the Company, Mr Carl Dorsch.

Section 208 of the *Corporations Act 2001* (Cth) prevents the Company from giving a 'financial benefit' to a related party, other than in certain circumstances, unless approval is given by the Company's Shareholders.

The Board has determined that, although the terms of the sale of the Project are no more favourable to Farno-McMahon Pty Ltd than under an arms' length transaction, Shareholders should be given an opportunity to approve the transaction in the interests of transparency and good corporate governance. Accordingly, shareholder approval is sought for the sale of the Project to Farno-McMahon Pty Ltd for the purposes of s 208 of the *Corporations Act 2001* (Cth). The Company is not seeking shareholder approval under ASX Listing Rule 10.1.

The consideration payable by Farno-McMahon Pty Ltd for the Project is the payment of A\$225,000 to the Company. Farno-McMahon will assume all rehabilitation and cleanup obligations in relation to the tenements.

The sale is conditional on both the shareholder approval the subject of this resolution, and the approval of Chalice to the assignment of the Company's rights to Farno-McMahon Pty Ltd. Chalice may not unreasonably withhold its consent to the assignment. If the sale of the Project is not completed by 15 January 2010, the Sale Agreement will terminate.

As at 30 June 2009, the carrying value for the tenements and development costs of the Project was nil as a result of 100% impairment. The alluvial gold plant and other plant and equipment associated with the Project held a carrying value of approximately \$225,000. This is the consideration payable by Farno-McMahon Pty Ltd under the Sale Agreement.

The Board considers that the Project no longer offers an attractive prospect for the Company's gold exploration operations. If Shareholders approve the sale of the Project, the Company will no longer be able to explore for gold on the Yandeyarra Project tenements. The Board considers that the sale price and assumption of cleanup liability offered by Farno-McMahon Pty Ltd is reasonable in the circumstances.

No Directors (other than Mr Dorsch) have any interest in the outcome of this Resolution.

The Directors (other than Mr Dorsch) unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this resolution.