

ANNUAL GENERAL MEETING

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OPERATIONS REVIEW

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DISCLAIMER

The information in this document is designed to be delivered in conjunction with a spoken presentation. It is intended as a guide to the potential of Strzelecki's projects and not as a guide to any investment decision in Strzelecki.

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The technical information in this report relating to the West Musgrave Joint Venture has been reviewed and approved by Mr D Walker (a director of joint venture participant and manager Tortuga Advisors Ltd) who is a member of the Australasian Institute of Mining and Metallurgy. Mr Walker has over 25 years' experience in the industry and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to report these results. Mr Walker consents to inclusion in this report of these matters based on the information in the form and context in which it appears .

POLISH PROJECTS

Poland: Strategic location in Central Europe

- Strongest and largest economy in Central Europe
- Polish assets now majority owned by Electrum Strategic Metals Eastern Europe (55%, earn-in to 75%), a financially and technically strong joint venture partner capable of funding development;
- Concession of 211 km² in which the Myszkow molybdenum-copper-tungsten deposit is located is near the town of Myszkow in southern Poland and is valid to 21st May 2016;
- The Myszkow deposit comprises a significant Inferred Resource and has been the subject of a Concept Study by Coffey Mining of Perth addressing the viability of mining;
- Drilling has recommenced with a program of some 6000m (6 holes) for better definition of the deposit and the upgrading of the resource to Indicated and Measured categories;
- Strzelecki's joint venture partner has demonstrated its commitment to the project through its perseverance though the bureaucratic maze to reach the stage of commencement of drilling.



MYSZKOW PROJECT

Long Term Concession (expires May 2016)

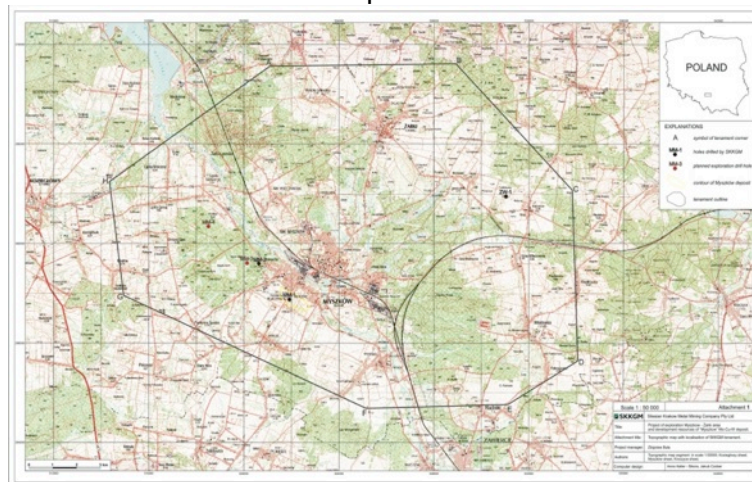
Drilling re-started (November 2011)

Technical objective (better resource definition)

Strong Strategic Partner

Leading to Feasibility Study → Mining

Concession centred on Myszkow;
 total area = 211 km²; deposit area = 0.53 km²



Current drilling program (holes in red)
 Total - 6,000m diamond drilling



Previous drilling

- 128,000m of diamond drilling
- 254 diamond holes
- 25 holes through the Myszkow deposit (over 30,000m)

MYSZKOW PROJECT

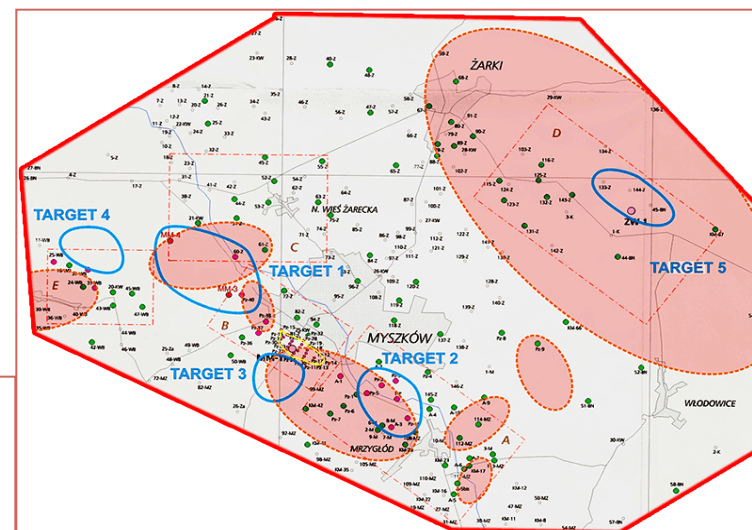
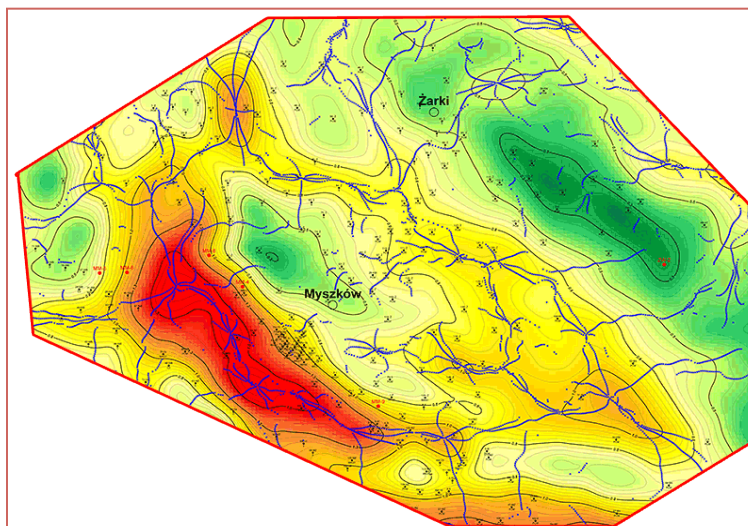
Advanced Project with Quality Technical Data

Magnet Intensity, Myszkow Concession

Computer-aided reinterpretation, accumulated geophysical data (January 2010)

Database of geophysical data available:

- gravity
- magnetics



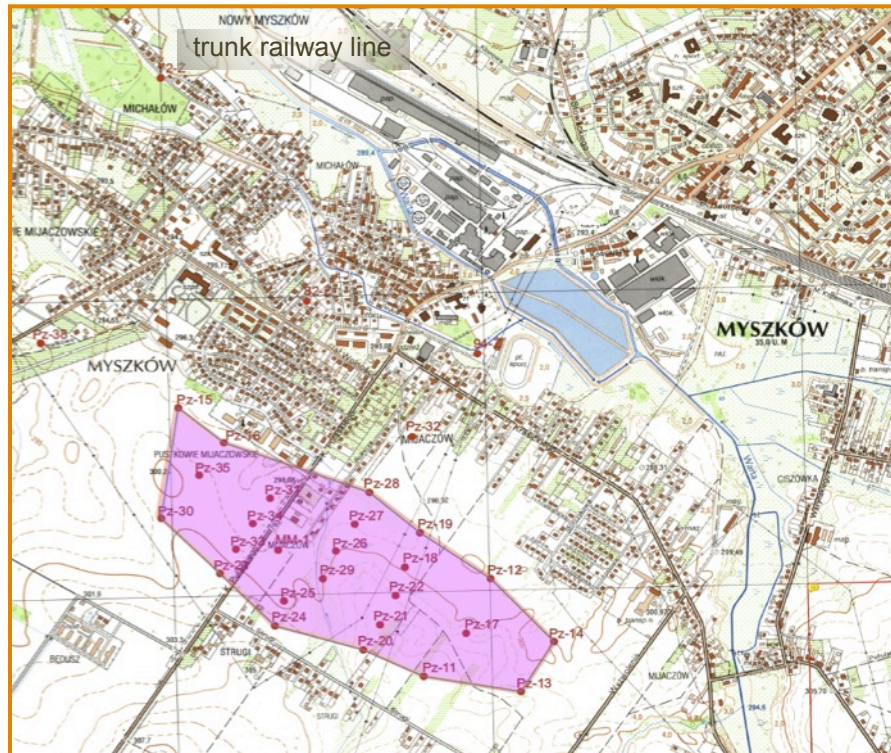
New Targets throughout Concession

-  - highly mineralised areas
-  - targets from geophysics
-  - targets from drilling
-  - mineralised holes Mo/W
-  - mineralised holes other

MYSZKOW PROJECT

Strategic location in Poland

Population centre with community support for mining



Myszkow: township and adjacent deposit location

❑ Deposit delineated with 25 deep holes:

- ~30,000m of diamond drilling
- value ~ \$20m in today's money

❑ 1.3bn tonnes mineralised envelope*

❑ 726mt Inferred Resource at 0.12% eMo*

❑ High grade core of 102mt @ 0.17% eMo*

❑ Excellent Infrastructure:

- trunk railway line 1.3km away
- high voltage power lines – on site
- sealed trunk roads – on site
- no need for a mining camp
- communal land available for processing plant/ tailings pond

* Reference: STZ ASX Announcements
 of 18 March 2009

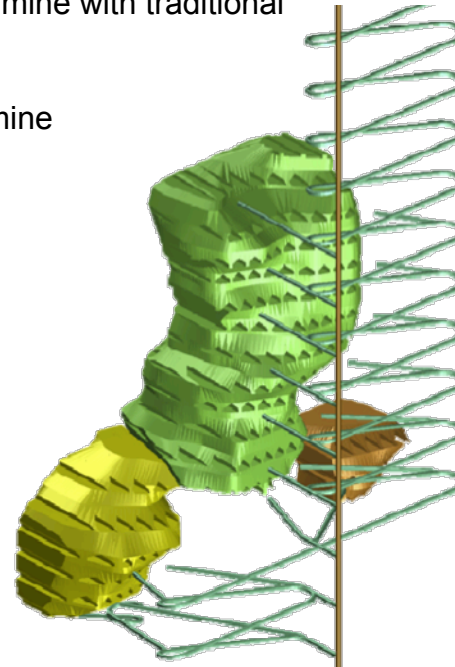
MYSZKOW PROJECT

Positive Mining Concept Study

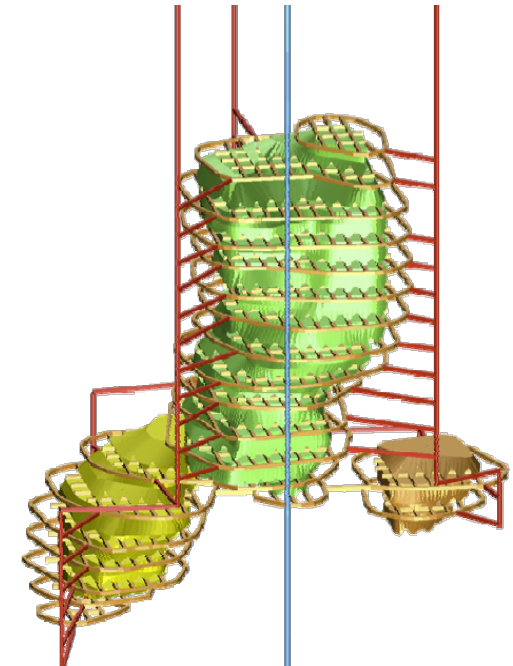
Potential for 17-20 year mine life at 5MTPA production

Highly mechanised underground mine with traditional
sub level stoping

73% tailings to go back into the mine

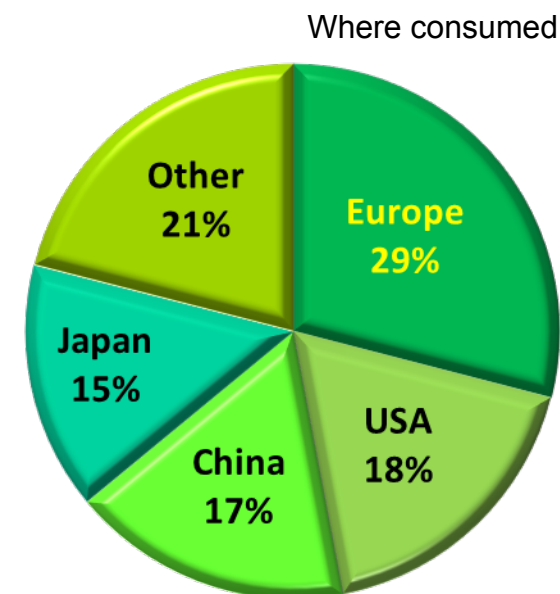
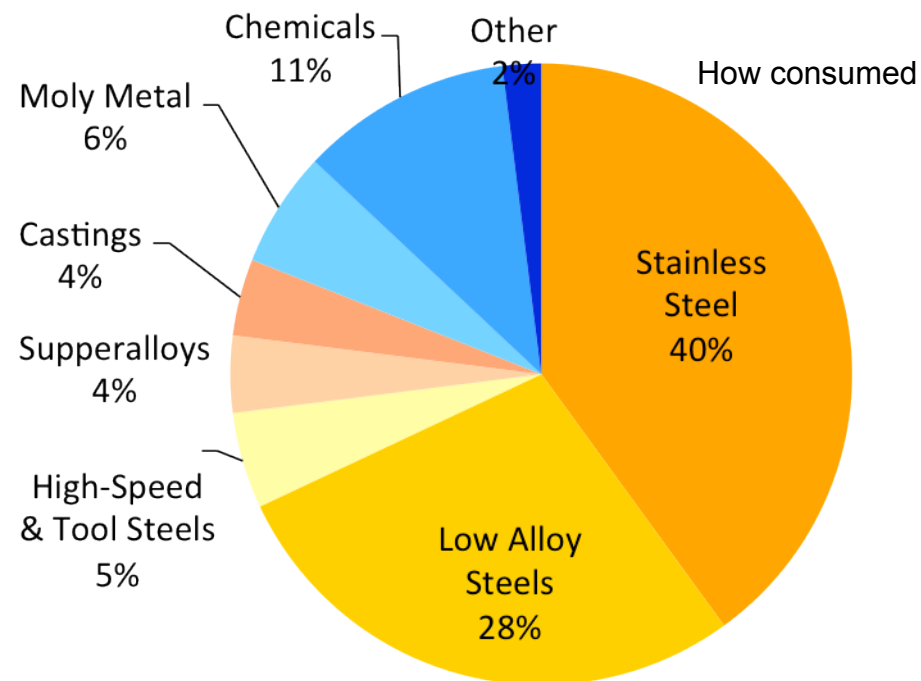


Proposed Myszgow mine layout: mining access



ventilation layout

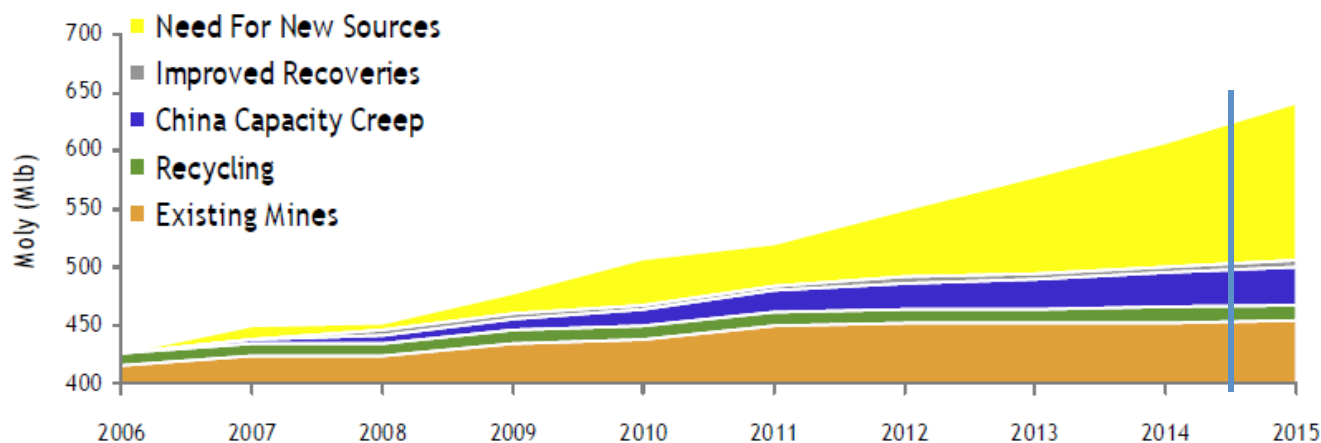
MOLYBDENUM CONSUMPTION



The World consumes 450+ million lbs of Mo p.a. (Source: IMO)

MYSZKOW PROJECT

Summary: Positive project with potential for high returns



- Few major new molybdenum mines since early 1980s
- Little exploration since 1970s
- By-product mines full extended
- Primary expansion only recently being planned
- No significant new supply due until 2012 earliest

- 47% of Mo comes from other metals' mines... A shrinking source

- The supply gap has to be filled from the new primary mines.

KUPFERSCHIEFER EXPLORATION

Mineral map of Poland

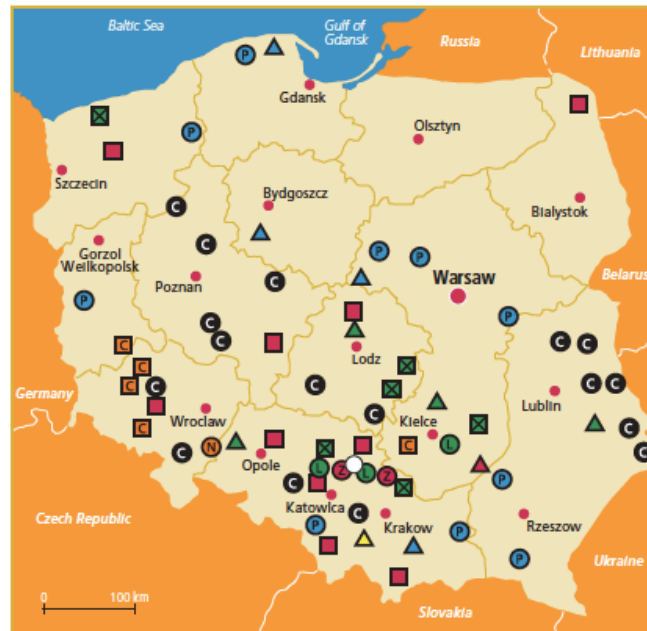
















Figure 1: Mineral Map of Poland

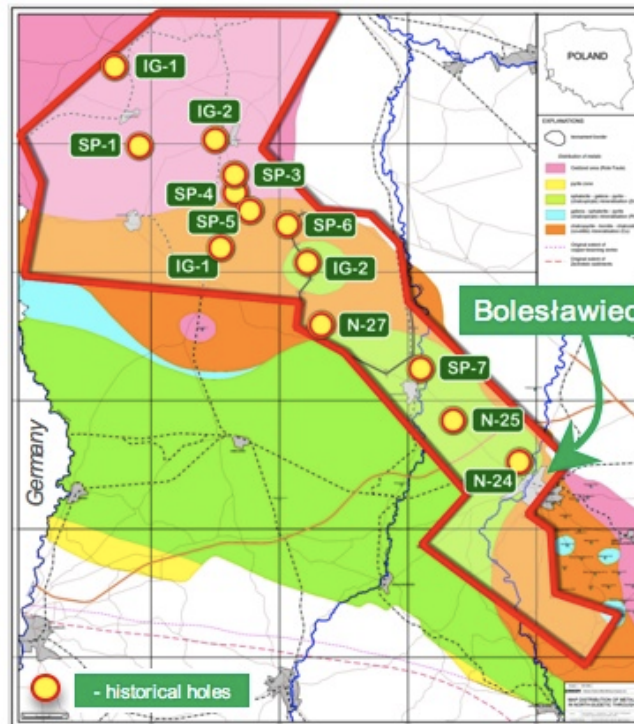
 Iron ore	 Petroleum refinery products
 Iron & steel	 Sulphur
 Copper	 Cement
 Coal	 Andalusite and antimony
 Zinc	 Salt
 Lead	 Aluminium
 Nickel	 Myszków project

Two highly prospective concessions

- Granted despite opposition from a nearby major copper mining company with interests in Poland and internationally;
- Concession cover highly prospective exploration acreage in the kupferschiefer copper basin of south west Poland;
- Drilling commenced on first concession, to be followed by drilling on the second concession; hole depths of 400m and 685m planned.

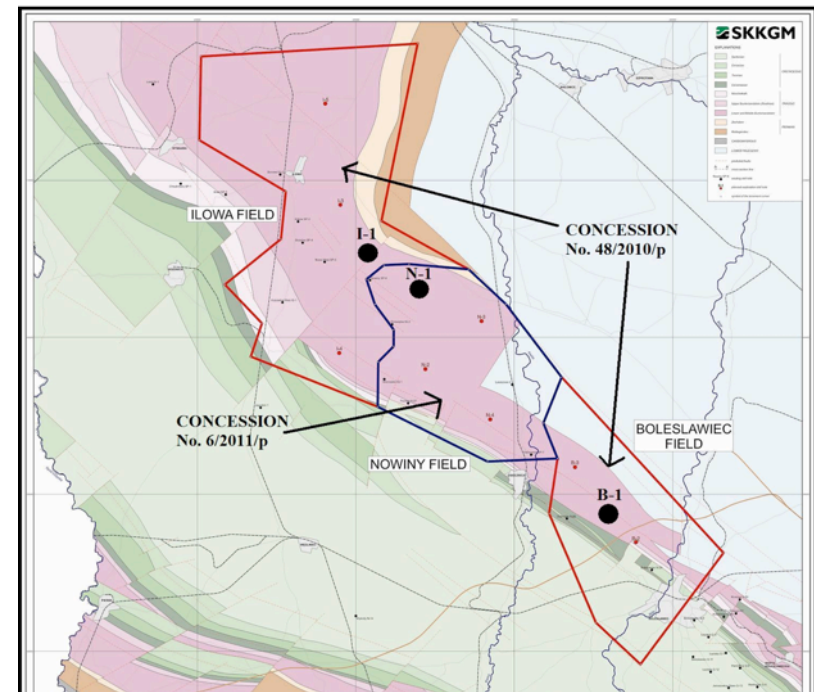


KUPFERSCHIEFER PROJECT



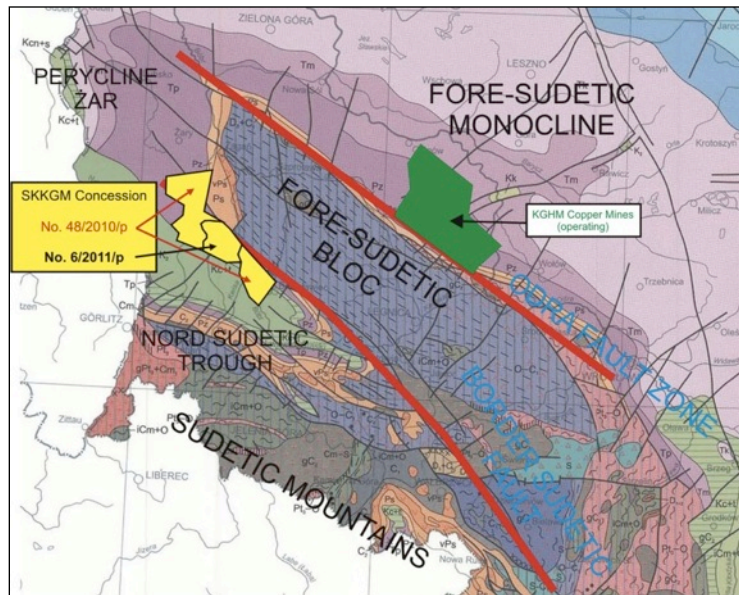
Sketch of historical drill holes within Strzelecki tenement boundaries

Granted tenements with proposed drill hole locations

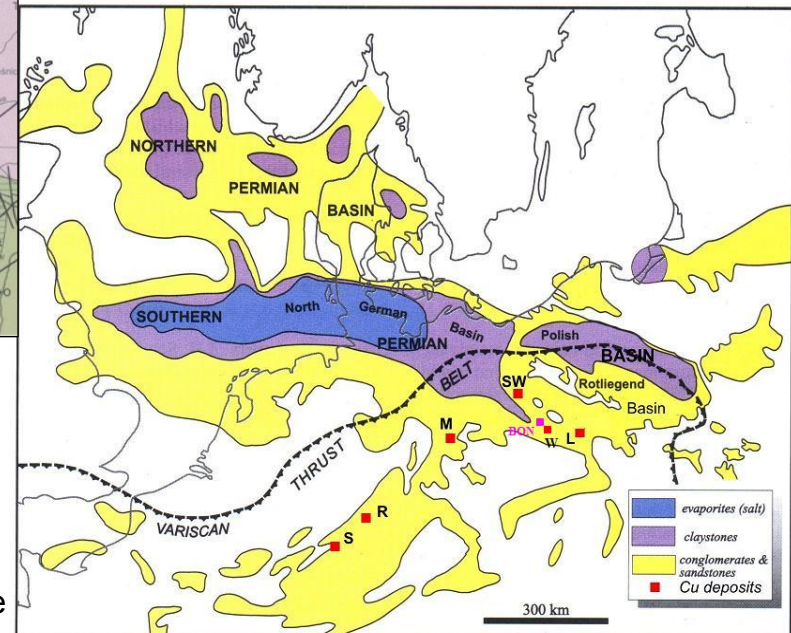


KUPFERSCHIEFER PROJECT

Summary: Exploration for copper in elephant country



Kupferschiefer Basin Geology: SKKGM concessions(yellow), KGHM's copper operations (green)



Kupferschiefer deposits in Europe

NEW PROJECTS – LOCATION AND ASSESSMENT



Kyrgyzstan: Bishkek city and road out of town south to the mountains.

NEW PROJECTS



Kyrgyzstan: Kara Keche coal deposits in the centre, eastern (top left) and central deposits.

NEW PROJECTS



Kyrgyzstan: Kara Keche deposit, a loading facility and the road into the mountains.

NEW PROJECTS – Kara Keche Coal Deposit, Kyrgyzstan

Initial Assessment on Proponents' Presentation

- Access to an operating coal mining operation; potential to expand production in the short to medium term;
- Known coal mineralization of 150 million tonnes in the Russian C1 and C2 categories; program underway to convert to JORC categories;
- Appointment of directors with extensive industry experience to Strzelecki board; key relationships held in Kyrgyzstan;
- Joint venture with Government of Kyrgyzstan through its Kara Keche State Enterprise under the Ministry of Energy of the Kyrgyz Republic.



NEW PROJECTS – Kara Keche Coal Deposit, Kyrgyzstan

Strzelecki Metals Assessment Process

- Site visit to enable a preliminary analysis and to determine how the due diligence should be conducted, by whom and to what depth and detail;
- Site trip led to preliminary technical report and an internal risk analysis plus external and independent DD on technical, legal and financial aspects and an IE Report if necessary;
- Preliminary technical report covered the potential coal available as well as extraction, transport and marketing;
- Risk analysis covered planning, stakeholders, cultural heritage, land use, socio-economic impacts, surface water, air quality & noise, coal dust, flora & fauna, geochemistry, field activities, hydrology, mining, geotechnical, processing, marketing and finances;
- Risks were considered through matrices for qualitative scales of consequence and likelihood which were then fed into a risk assessment matrix;
- Result indicated many high risks with several extreme risks, particularly sovereign risk and market uncertainty, with cost of production and transport major issues as well as potential delays in access to market and the ability of recipients to take product.

NEW PROJECTS – Kara Keche Coal Deposit, Kyrgyzstan

Conclusion and implications for new projects

- Current operating extremely limited; expanded production expensive with potentially high social and political risks;
- 150mt in the Russian C1 and C2 but only 30-40 mt open cut; program to convert to JORC open ended;
- Extensive industry experience may not assist in Kyrgyzstan; key Kyrgyz relationships may not hold in Kyrgyz politics;
- Potential political and internal governmental interference in joint venture with Kara Keche State Enterprise.

Rigorous assessment process

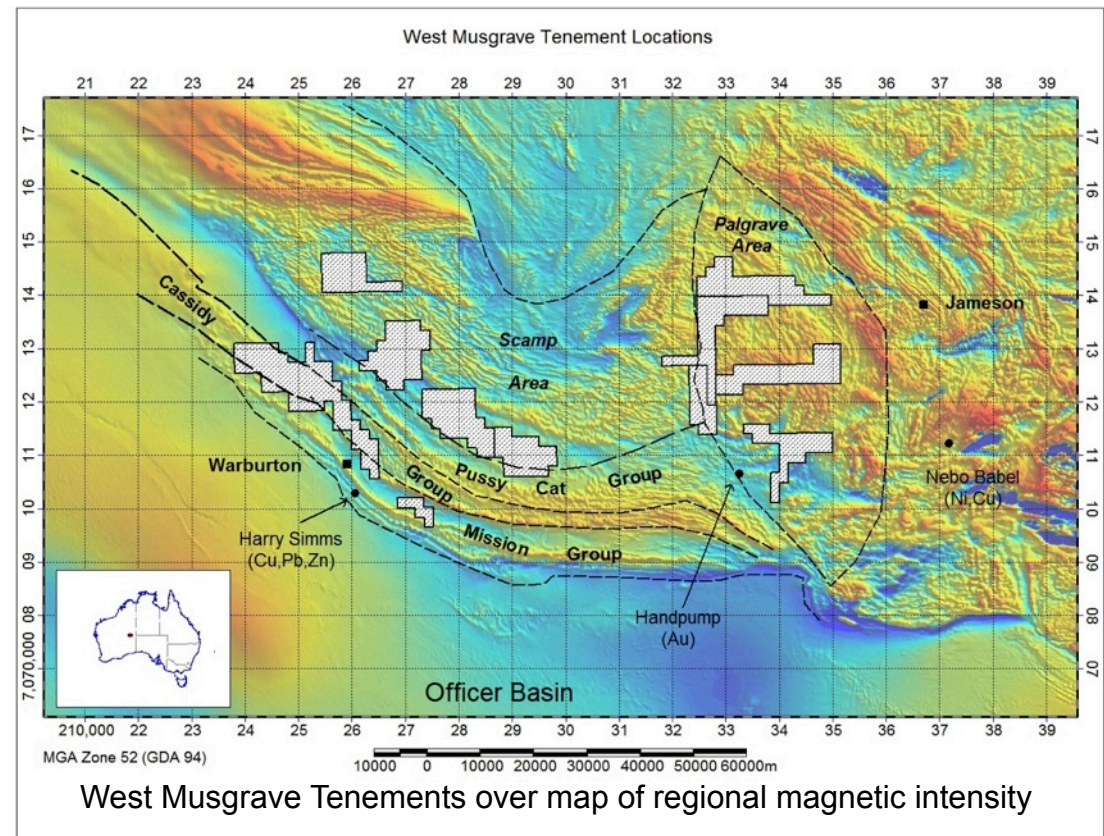
- Strzelecki has looked at a number of projects across a range of commodities over the past year;
- The Kyrgyz project looked good in terms of scale and potential time frame for production and cash generation, but risk was too high;
- Strzelecki's assessment process is sound with a stepwise approach that allows rigour without sacrificing speedy assessment or cost;
- The company will continue to assess projects with a view to acquiring a project which is technically sound and delivers returns to shareholders.

WEST MUSGRAVE PROJECT

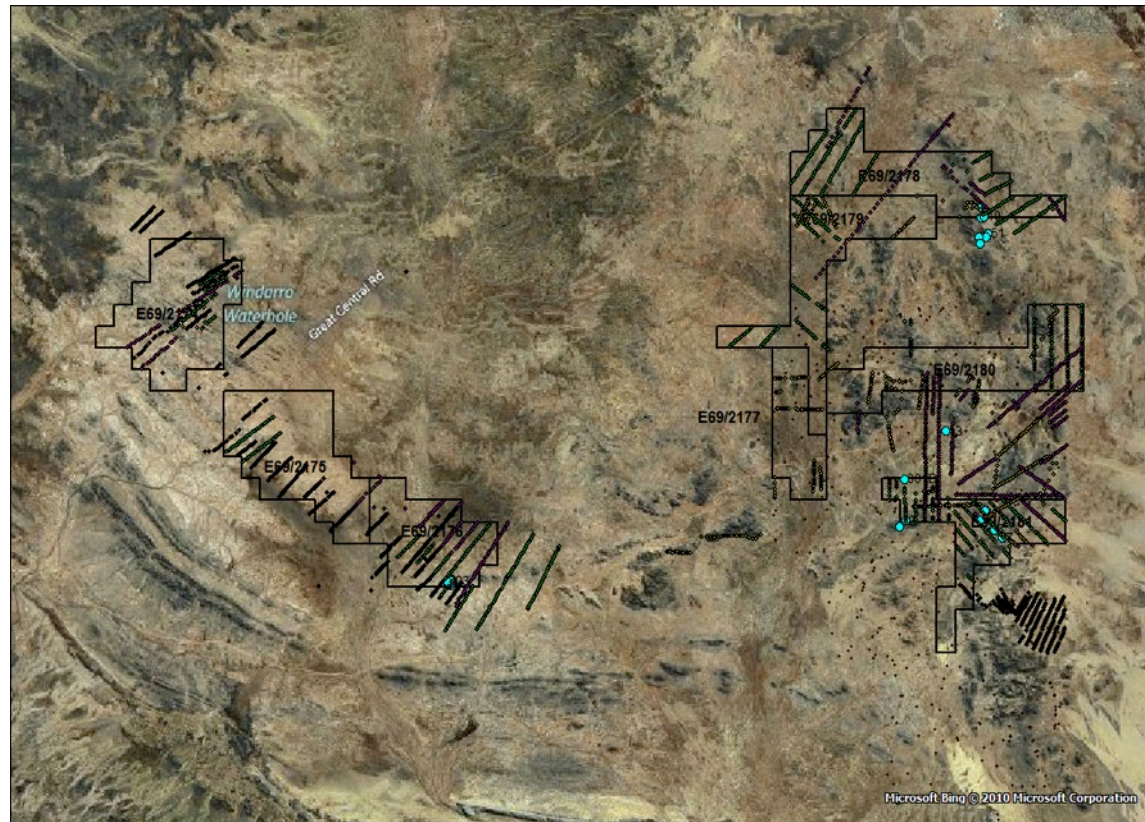
Active Joint venture on highly prospective ground with Tortuga Advisors

Tortuga on track with second tranche of expenditure, having earned first 15% interest

- Strzelecki's eastern tenements about the grounds of BHP Billiton, where the Babel and Nebo Nickel discoveries are located;
- In the south, the tenements about exploration ground of Beadell Resources and its Handpump prospect, as well as the nearby Roquefort prospect of Traka Resources and Anglo Gold;
- Joint Venture focus on newly defined areas with anomalous values of gold, copper-gold and rare earths; intensive soil sampling to be followed by drilling.

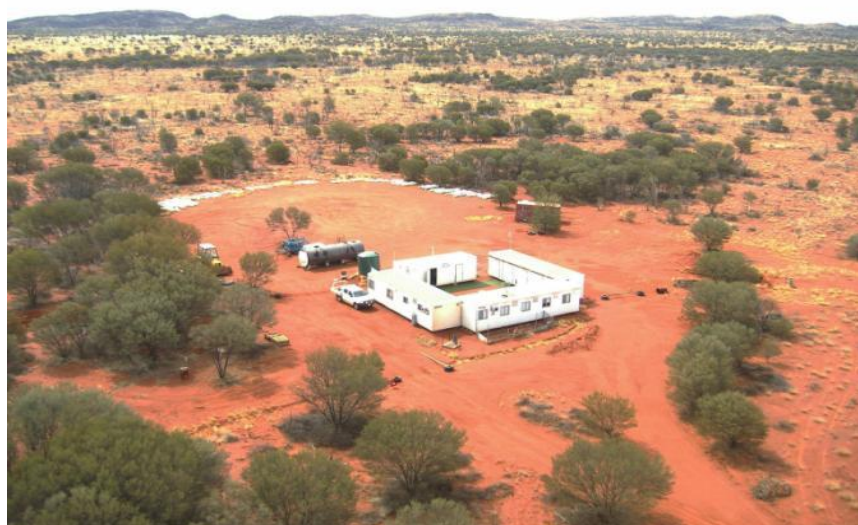


WEST MUSGRAVE PROJECT



West Musgrave Tenements, soil sampling coverage

WEST MUSGRAVE PROJECT



The camp

Soil sampling



WEST MUSGRAVE PROJECT

Potential for several mineralisation styles demonstrated in outcrop within tenements

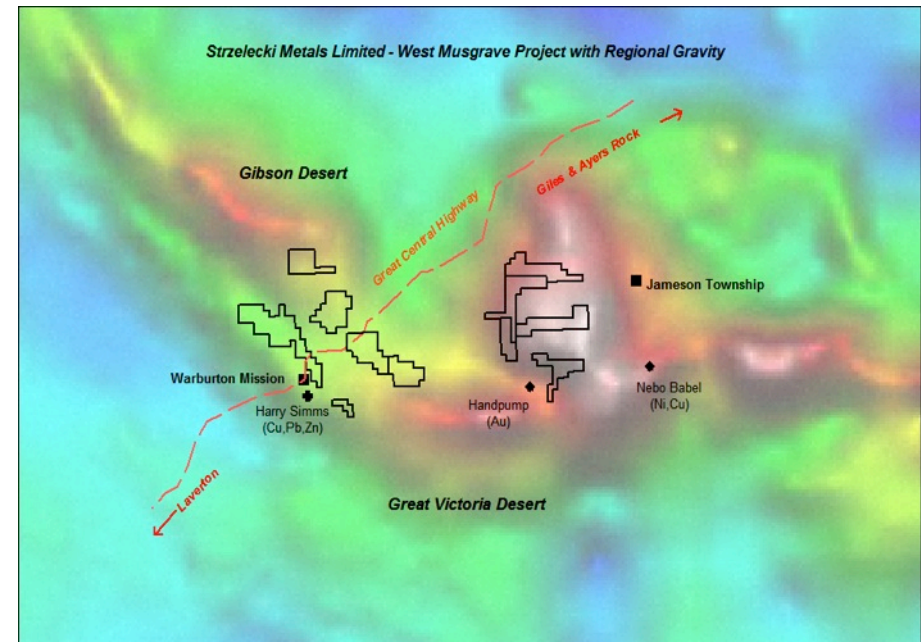
Epithermal gold mineralisation in vein system outcropping on E69/2176, and in the central Palgrave area on E69/2180;

Gold and copper-gold mineralisation associated with fault structures in E69/2181 extending westwards towards Handpump gold mineralisation;

Porphyry intrusive copper-gold mineralisation in the eastern tenement areas of E69/2178;

Stratiform base metal sulphide potential within upper Palgrave sequence along the southern boundary of E69/2175, E69/2176;

As yet unproven nickel-copper potential associated with small ultramafic rock outcrops in eastern side of tenement areas.



West Musgrave Tenements over map of regional gravity intensity

WEST MUSGRAVE PROJECT

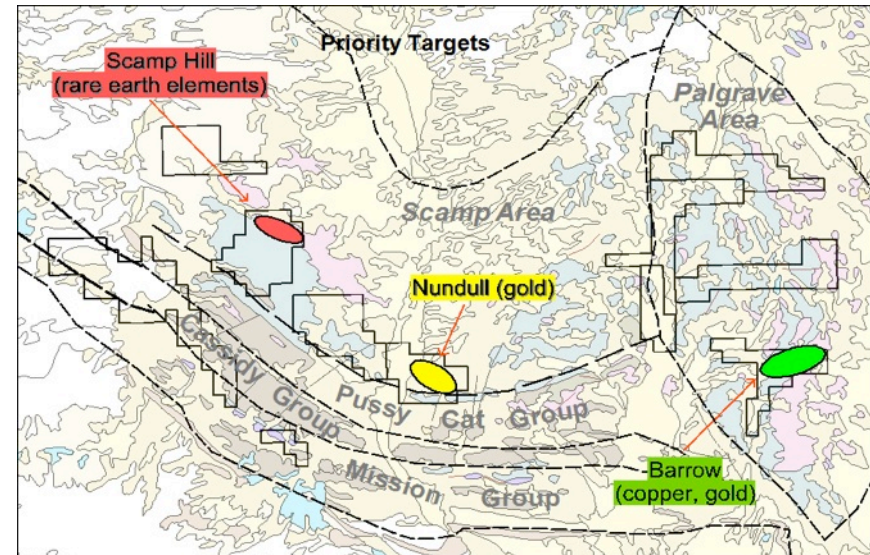
Potential drill targets

Nundull prospect, soils identified two broad zones of anomalous base metals in volcanics and sediments of lower Bentley group, basement poorly exposed or covered by surficial deposits;

- (a) anomalous Cu-Pb-Zn in volcano-sedimentary sequence over 5km NWS strike;
- (b) similarly anomalous Cu-Pb-Zn over 2km NWS strike with sporadic outcrop indicating intercalated volcanics and sediments;

Barrow Range prospect, anomalous zones of gold and copper mineralisation extending over 4 km are associated with zones of alteration along major fault structures within Palgrave group volcanics; trending south west towards Handpump gold prospect of Beadell Resources;

Scamp Hill prospect, broad zone of anomalous Cu and associated base metals occurs within mixed volcanic and sedimentary sequence of the lower Bentley group; also with anomalous values of rare-earth elements (REE), of which La, Ce and Y analysed with the highest soil sample 0.36% REO (rare earth oxide).



West Musgrave prospects with preliminary structural interpretation

SUMMARY

**Highly prospective ground with adjacent discoveries
and major company exploration interest**

Highly brecciated rock in south of tenement area



Typically challenging terrain within West Musgrave

CONCLUSION

- Company well positioned in terms of cash on hand, in having expenditure on its current projects covered by partners, in having tight controls on expenditure;
- Recognising that the company's business is exploration and development, appropriate processes are in place to seek out and assess new project opportunities;
- The company has looked at a number of new projects during the year, advanced and in production, surface and underground, involving gold, nickel, copper and coal;
- Due diligence procedures, either brief or extended, covering technical, legal, financial and corporate matters have been followed;
- Only the Kyrgyzstan coal project reached the stage of a heads of agreement; a technical analysis and risk analysis suggested that this project was for Strzelecki;
- Discussions are proceeding with other parties in respect of new projects.

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