



Wednesday, 27 July 2011

t: +61 8 8227 0555
f: +61 8 8227 0544

The Manager
Companies Announcements Office
Australian Securities Exchange
Electronic Lodgement

www.strzeleckimetals.com

QUARTERLY ACTIVITY REPORT (3 MONTHS TO 30/06/2011)

REVIEW OF OPERATIONS

Summary

During the quarter the company focussed its endeavours on bedding down its new arrangements on its Polish assets, continuing its work on the West Musgrave Joint Venture in Western Australia, and in assessing a range of new projects for the future.

Strzelecki's Polish asset is a 45% share in the Polish company Slasko-Krakowska Kompania Gornictwa Metali Sp. z.o.o. (SKKGM) which holds mineral concession 5/2006/p over the Myszkow project in southern Poland and mineral concession 48/2010/p in the Kupferschiefer basin in south west Poland. SKKGM is also awaiting final approval for another concession, 6/2011/p, which is adjacent to 48/2010/p. SKKGM is the subject of an earn-in by Electrum Strategic Metals Eastern Europe SA which holds 55% and can earn up to 75% of the company.

The West Musgrave joint venture between Strzelecki Metals and Tortuga Advisors Ltd covers over 600 sq km of the West Musgrave Province on Ngaanyatjarra traditional land in Western Australia. Under the joint venture Tortuga can earn up to 80% interest in the tenements (of which it has already earned 15%) by expenditure on exploration over the central Australian tenements within five years. Tortuga is manager of the Joint Venture.

Polish Assets - SKKGM

Myszkow Concession

During the quarter the company continued the development of a program and budget for exploration and advancement of its project strategically located in Poland, Figure 1. A new work plan was developed setting objectives for the coming year. The principal objective is to advance the project with drilling to further confirm the results of drilling already conducted at Myszkow by the Polish government and to upgrade the established Inferred Resource at Myszkow to Indicated and Measured categories.



Figure 1: Poland in Central Europe

The Myszkow concession, which includes the Myszkow molybdenum-copper deposit, covers an area of 211 square kilometres, Figure 2. There is potential to improve the metal grades at Myszkow and to expand the resource and this work will provide a basis for a preliminary economic assessment of the Myszkow deposit. Incremental improvement of the grade of the Myszkow deposit can be through better definition of high-grade zones, and structural studies indicate that with drilling reoriented to better intersect the steeply dipping NE trending predominant vein set there is potential to upgrade the size and grade of the deposit.

It is currently contemplated that drilling will commence at Myszkow in the last quarter of the 2011 calendar year. As part of the drilling program, six holes are planned for a total of around 6,000 metres, the objective being an upgrade of the resource category for the core of the deposit.

Samples from drilling will be sent for assaying to ALS laboratories in Vancouver periodically, with a turnaround time for results expected to be around three to four weeks.

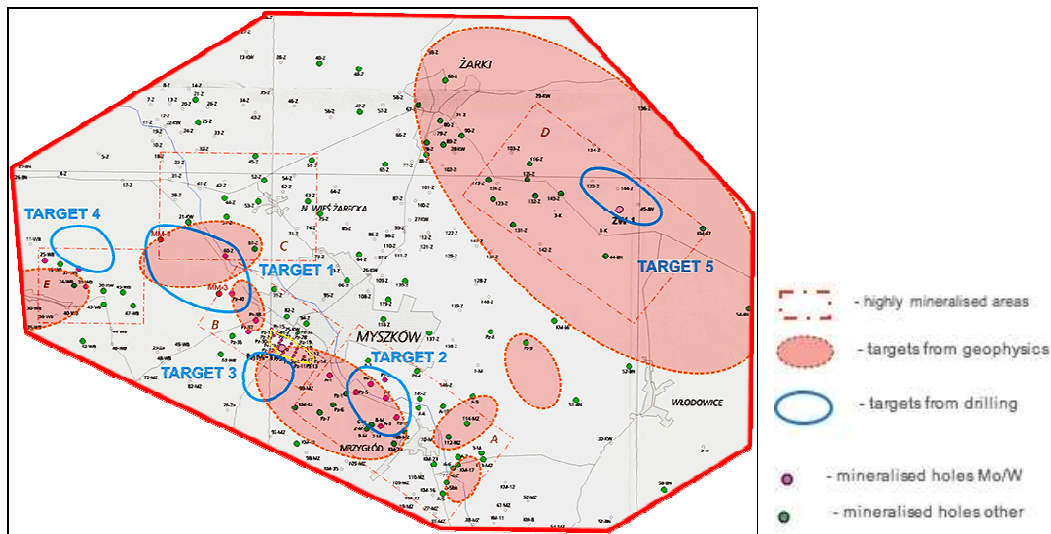


Figure 2: Myszkow Concession in southern Poland

Kupferschiefer Concessions

During the quarter the company continued its efforts to assure grant of the second concession in the Kupferschiefer basin to complement the concession already granted. The concession granted and that still under application, as well as the location of the drill holes referred to below, are shown in Figure 3. The total area of the Kupferschiefer concessions is around 417 square kilometres, all of which is prospective for copper exploration.

It is currently contemplated drilling will commence on the project in late 2011. During the quarter discussions took place with drilling companies and SKKGM is presently in advanced discussions with a drilling company to drill up to two holes with expected commencement date being September this year. Drill hole I-1 is expected to be drilled to a depth of 405 metres in Concession no. 48/2010/p, while drill hole N-1 is expected to be drilled to a depth of 685 metres in Concession no. 6/2011/p.

The Kupferschiefer concessions are in the Bolesławiec–Osiecznica–Nowiny area on the western border of Poland, where there are several large copper deposits with the potential for further developments.

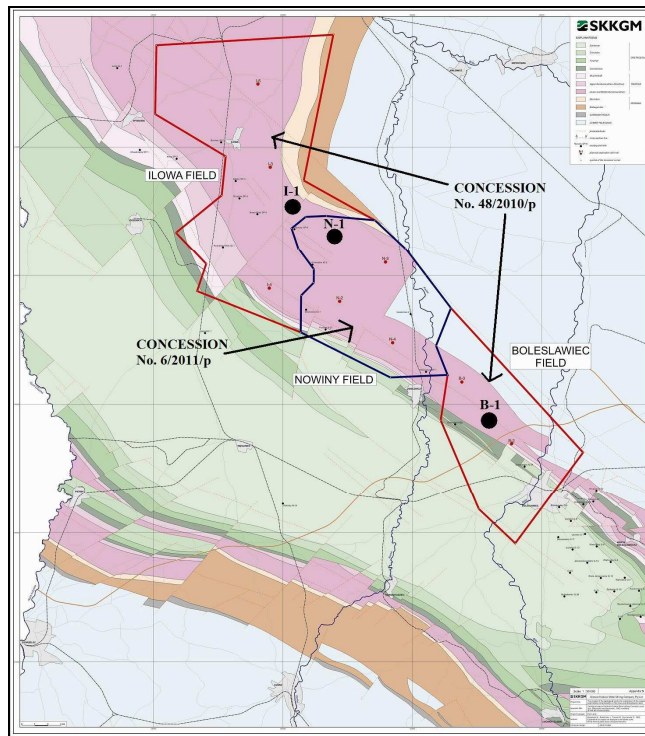


Figure 3: Concession 48/2010/p and Application 6/2011/p

West Musgrave Project, Western Australia

The Western Musgrave Project comprises eight exploration licenses covering a total area over 600 square kilometres, located as shown in Figure 4. These tenements are prospective for gold, nickel and copper, as well as uranium. The Warburton tenements in the east abut the areas of BHP Billiton Ltd where the Babel and Nebo nickel discoveries are located and of Beadell Resources Ltd which recently announced an encouraging gold discovery in rocks which appear to extend into Strzelecki's tenements. In the north, the tenements abut the ground held by Traka Resources Ltd and other explorers.

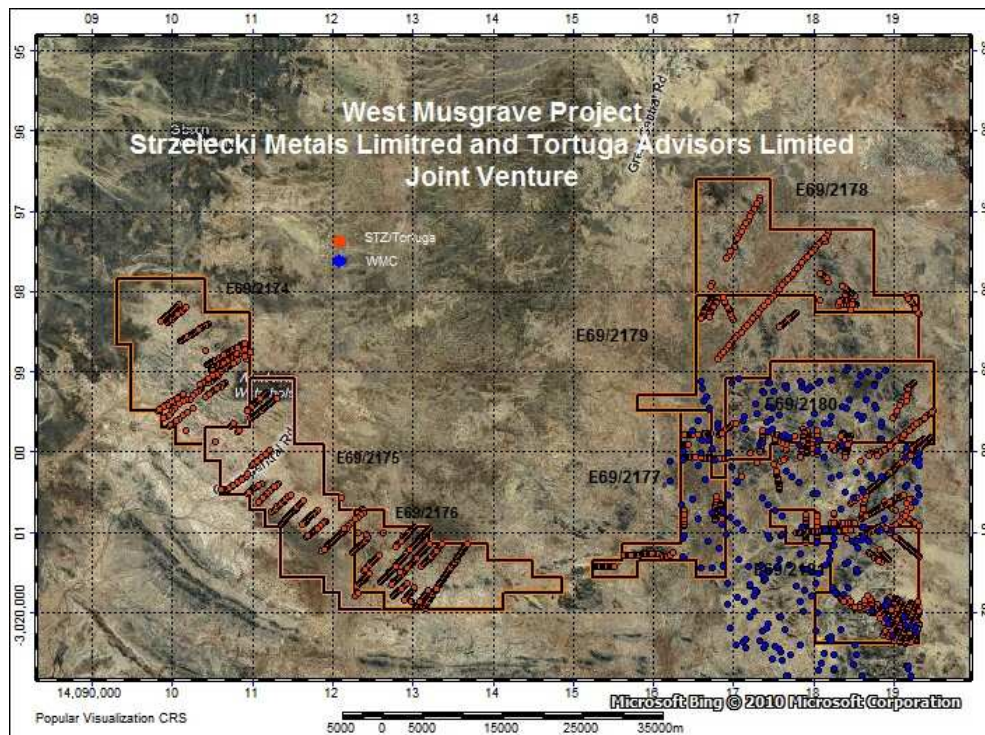


Figure 4: West Musgrave JV area with soil sampling coverage (JV and WMC historical).

Earlier, the West Musgrave joint venture completed its third soil sampling program over 155 line kilometres and assay results from the program have been received. The program was designed to compliment previous work and provide a check to the mapped lithologies in this shallow covered terrain over the West Musgrave tenements.

Investigations indicate that there are likely to be several geochemical targets on the western-most tenements and the joint venturers are now proceeding towards vegetation and heritage clearances to allow further exploration activities which will include detailed geological mapping, geophysical surveys and drilling to further test these targets, several of which are shown Figure 5.

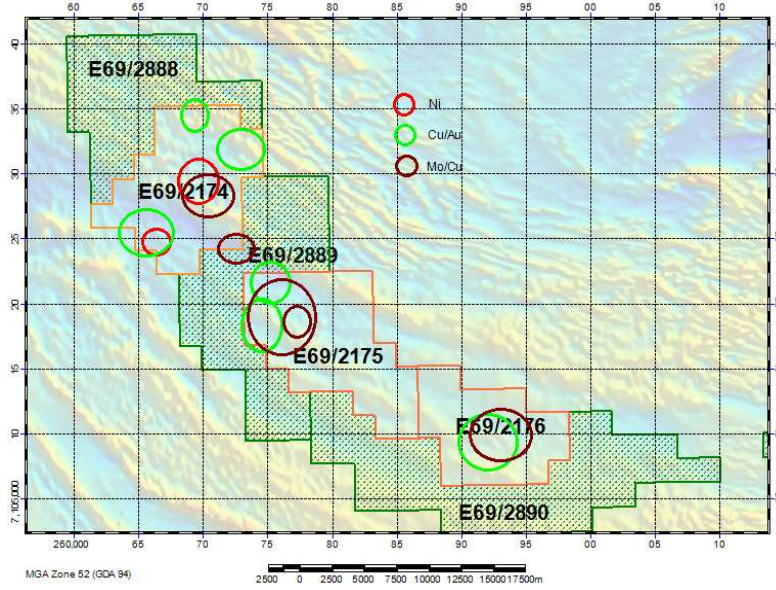


Figure 5: Potential targets in the West Musgraves

Access to the northern eastern tenement areas is logistically difficult, and consequently exploration activities have been less intense than in other areas. Results to date however indicate the possibility of underlying or intruding mafic and ultra-mafic lithologies in two regions, shown as maroon ellipses in the Figure 6. The plan for this area is to complete the reconnaissance soil sampling within the polygon to further test this hypothesis, and to completely characterise the tenement. No further clearances are required for this area and work is expected to commence this quarter.

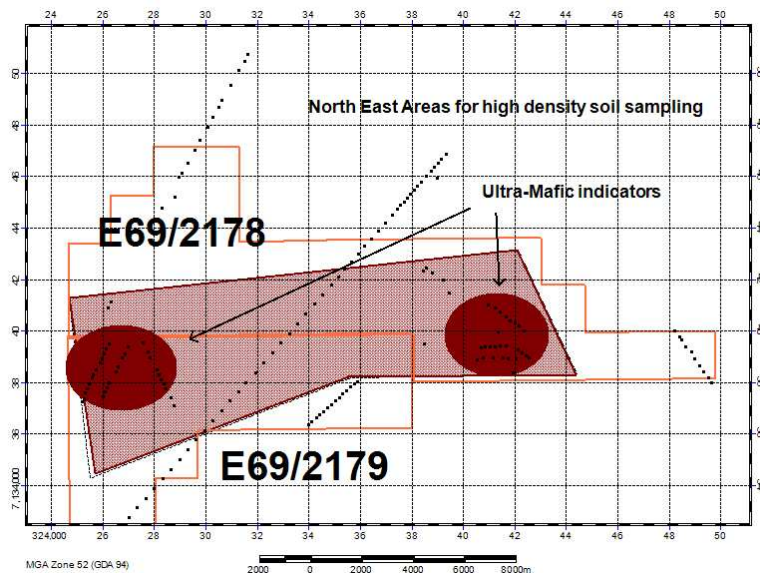


Figure 6: Ultra-mafic indicators in EL69/2178 and 2179

The integrity of the geochemical soil sampling results has been affected by significant sample contamination that occurred in the laboratory of contractor ALS Minerals (ALS). The joint venture is continuing to discuss the issue with ALS.

During June the Geological Society of Western Australia conducted a field excursion over areas of the West Musgrave Province in which they have been working since 2004, revising the geological maps and models of the area. The field trip was arranged to allow companies based in the area to share their new ideas and back them up with in-field observations. The excursion ran from 5th to 12th June and took in Nebo Babel, Wingellina, Handpump and the Palgrave Complex and was attended by company and joint venture representatives with significant technical benefits.

New Projects

During the quarter the company reviewed several new project opportunities. The company is currently looking at opportunities which it may follow up with due diligence during the present quarter. The company will continue to look for project opportunities with the potential to enhance investor value.

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.

For further information please contact:

Dr John Santich, Director
Strzelecki Metals Ltd
Tel +61 412 065 294

Rod North, Managing Director
Bourse Communications Pty Ltd
Tel +61 408 670 706

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

STRZELECKI METALS LTD

ABN

35 116 249 060

Quarter ended ("current quarter")

30 JUNE 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	29
1.2 Payments for (a) exploration & evaluation	-	(163)
(b) development	-	-
(c) production	-	-
(d) administration	(279)	(1,094)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22	52
1.5 Interest and other costs of finance paid	-	(10)
1.6 Income taxes paid	-	-
1.7 Other (JV repayments)	-	3,863
	(257)	2,677
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(4)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	23
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	-	19
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(257)	2,696

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(257)	2,696
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	2,023
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(546)
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	(162)
	Net financing cash flows	-	1,315
Net increase (decrease) in cash held		(257)	4,011
1.20	Cash at beginning of quarter/year to date	4,813	554
1.21	Exchange rate adjustments to item 1.20	-	(9)
1.22	Cash at end of quarter	4,556	4,556

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	102
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, wages and superannuation for the quarter

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	158
Total	158

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	602	161
5.2 Deposits at call	3,954	4,652
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,556	4,813

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

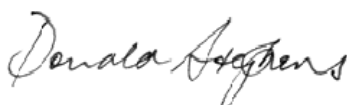
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	360,000,000	360,000,000		
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price (Each)</i>	<i>Expiry date</i>
	1,500,000	-	\$0.25	16/01/2012
	2,000,000	-	\$0.10	22/07/2012
	2,250,000	-	\$0.10	17/02/2013
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 27 July 2011
(Company secretary)

Print name: Donald Stephens.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==