



**STRZELECKI**  
**Metals Limited**



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*ANNUAL GENERAL MEETING*

*Monday 28 November 2011*

*WELCOME BY CHAIRMAN*

*MR PETER HUNT*

## INTRODUCTION

In my previous address to shareholders on the 22 November 2010 I summarised the activities of the company for the year and indicated that we were looking to a major partner to assist in the further development of our Polish assets.

Our objectives in respect of our current assets were:

- To finalise arrangements with a partner with the financial and technical capability to advance the Polish assets;
- To assist our new US based partner in the further exploration and development of the Myszkow project and to commence exploration on new concessions in the kupferschiefer basin;
- In assist our Australian joint venture partner in advancing the West Musgrave project though completion of soil sampling coverage of all tenements and in the design of a consequent exploration program.

In addition to the above, we indicated that the company would be looking to other advanced exploration projects to build on what had already been achieved and for the enhancement of shareholder value.

## MYSZKOW PROJECT, SOUTHERN POLAND

- Polish assets now majority owned by Electrum Strategic Metals Eastern Europe, a financially and technically strong joint venture partner capable of funding development;
- Concession of 211 km<sup>2</sup> in which the Myszkow molybdenum-copper-tungsten deposit is located is near the town of Myszkow in southern Poland and is valid to 21<sup>st</sup> 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 is about to recommence 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 through the bureaucratic maze to reach the stage of commencement of drilling.

## KUPFERSCHIEFER EXPLORATION

- Two concessions granted during the last year, despite opposition from a nearby major copper mining company with interests in Poland and internationally;
- Concession covers highly prospective exploration acreage in the kupferschiefer copper basin of south west Poland;
- Drilling has commenced on the first concession granted and is expected to commence shortly on the second concession; hole depths of 400m and 685m are planned.

## WEST MUSGRAVE JOINT VENTURE

- Joint venture with Tortuga Advisors is active, with Tortuga on track with second tranche of expenditure towards a 51% interest, having earned its first 15% interest;
- Strzelecki's eastern tenements abut the grounds of BHP Billiton, where the Babel and Nebo Nickel discoveries are located;
- In the south, the tenements abut 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 is on newly defined areas where anomalous values of gold, copper-gold and rare earth have been defined; intensive soil sampling will be followed up by drilling.

## DEVELOPMENTS ANNOUNCED SINCE LAST AGM

- 22 November – signs MOU with Electrum Group on Polish assets;
- 10 January – first kupferschiefer tenement granted;
- 20 January – soil sample results from West Musgrave JV;
- 2 March – Myszkow JVA executed, completion set for end of month;
- 28 March – completion of sale and JV with Electrum Group;
- 29 April – second kupferschiefer tenement granted
- 1 May – appeal by KGHM over second kupferschiefer grant;
- 28 September – Kyrgyzstan coal HoA signed;
- 26 October - Kyrgyzstan coal canned;
- 28 October - second kupferschiefer tenement decision confirmed;
- 21 November – drilling commences in kupferschiefer basin

## MATTERS ADDITIONAL TO THE ABOVE

- Strzelecki looked at a number of new projects during the year;
- Projects involving gold, nickel, copper and coal have been the subject of due diligence, either brief or extended, covering technical, legal, financial and corporate matters;
- Only the Kyrgyzstan coal project reached the stage of a heads of agreement and announcement to the ASX; a preliminary due diligence covering the above and including a comprehensive risk analysis led to the decision to discontinue involvement in the project;
- Company well positioned to continue looking at projects, with cash on hand, appropriate processes in place and tight control on expenditure.

## CONCLUSION

I am disappointed that we have not already been able to increase shareholder value.

I believe that the partial sale and joint venture of the Polish assets was the right thing to do and the continuing bureaucracy faced by our new partners in the Polish endeavour confirms this fact on an almost daily basis. The Polish projects represent very good assets but the financial and technical capacities required for success were and are beyond the resource of your company alone.

The West Musgrave region is coming into its own as a well recognised and highly prospective mineral exploration area. Your company was ahead of its time in acquiring these properties and now, with the support of our joint venture partner Tortuga Advisors, the company is well placed to take advantage of developments in the area, even in these difficult financial times.

Let me take this opportunity to thank my fellow directors for their input during a difficult but promising phase for the Company. I further wish to acknowledge the Polish staff of the Polish company in which we have an interest for their efforts in advancing both the Myszkow project and the kupferschiefer exploration.

With funds on hand to continue the search for an appropriate project, I am optimistic about the future for the company and I am confident that value can be restored to shareholders.

Thank you for your attendance.