

# STRZELECKI METALS LIMITED

ACN 116 249 060

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## NOTICE OF ANNUAL GENERAL MEETING 2011

### EXPLANATORY STATEMENT

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<b>Time of Meeting:</b>	2:00 pm CDT
<b>Date of Meeting:</b>	28 November 2011
<b>Location of Meeting:</b>	PKF Level 2, 139 Frome Street Adelaide South Australia

**This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.**

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Strzelecki Metals Limited ACN 116 249 060 ("**Company**") for 2011 will be held at the offices of PKF, 139 Frome Street, Adelaide, South Australia at 2:00 pm CDT on 28 November 2011.

### AGENDA

1. **Financial Statements**

To receive and consider the financial report, the Directors' report and the Auditor's report for the financial year ended 30 June 2011.

2. **Resolution 1 – Adoption of Remuneration Report**

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as a non-binding resolution:

*"To adopt the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2011."*

3. **Resolution 2 – Re-election of Dr John Santich as Director of the Company**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"Pursuant to clause 59.1 of the Company's Constitution and for all other purposes, Dr John Santich be re-elected as a Director of the Company."*

4. **Resolution 3 – Issue of Unquoted Options to Mr Peter Hunt and/or his nominee**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of section 208 of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and all other purposes, approval be and is hereby given to the grant, allotment and issue by the Company of 2,750,000 unquoted options to Mr Peter Hunt and/or his nominee on the terms and conditions set out in the Explanatory Statement that accompanies this Notice of Annual General Meeting."*

5. **Resolution 4 – Issue of Unquoted Options to Dr John Santich and/or his nominee**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of section 208 of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and all other purposes, approval be and is hereby given to the grant, allotment and issue by the Company of 2,750,000 unquoted options to Dr John Santich and/or his nominee on the terms and conditions set out in the Explanatory Statement that accompanies this Notice of Annual General Meeting."*

6. **Resolution 5 – Issue of Unquoted Options to Mr Simon O’Loughlin and/or his nominee**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of section 208 of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and all other purposes, approval be and is hereby given to the grant, allotment and issue by the Company of 2,000,000 unquoted options to Mr Simon O’Loughlin and/or his nominee on the terms and conditions set out in the Explanatory Statement that accompanies this Notice of Annual General Meeting.”*

7. **Resolution 6 – Issue of Unquoted Options to Mr Stephen Evans and/or his nominee**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of section 208 of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and all other purposes, approval be and is hereby given to the grant, allotment and issue by the Company of 2,000,000 unquoted options to Mr Stephen Evans and/or his nominee on the terms and conditions set out in the Explanatory Statement that accompanies this Notice of Annual General Meeting.”*

8. **Resolution 7 – Issue of Unquoted Options to Mr Donald Stephens and/or his nominee**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the grant, allotment and issue by the Company of 500,000 unquoted options to Mr Donald Stephens and/or his nominee on the terms and conditions set out in the Explanatory Statement that accompanies this Notice of Annual General Meeting.”*

**Dated 28 October 2011**

**BY ORDER OF THE BOARD  
STRZELECKI METALS LIMITED**



**DONALD STEPHENS  
COMPANY SECRETARY**

**Voting**

A Proxy Form is enclosed with this Notice.

## Explanatory Notes

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting, and should be read in conjunction with this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Statement.

## Voting Exclusion Statements

### 1. Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

**Please Note:** In accordance with sections 250R(4) and 250R(5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to Resolution 1 unless the shareholder specifically authorises the Chair to vote in accordance with the Chair's stated voting intentions. **If a shareholder wishes to nominate the Chair as their proxy for the purpose of Resolution 1 the shareholder must either tick the 'for' or 'against' box, directing the Chair how to vote, or tick the box authorising the Chair to vote in accordance with his or her stated voting intentions, on the enclosed Proxy Form in order for their proxy vote to be counted.** Alternatively, shareholders can nominate as their proxy for the purpose of Resolution 1 a proxy who is not a member of the Company's Key Management Personnel. That person would be permitted to vote undirected proxies.

### 2. Resolutions 3, 4, 5 and 6

The Company will disregard any votes in respect of each of these resolutions if they are cast by or on behalf of a person who is named in the relevant resolution or an associate of that named person.

However the Company need not disregard a vote if:

- (e) 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
- (f) it is cast by the person chairing 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.

### 3. **Resolution 7**

The Company will disregard any votes in respect of this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing 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.

### **Proxies**

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging proxy forms.

For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

The Proxy Form should be returned by post or faxed to the Company's Office or Share Registry so that it may be received by 2.00 pm on Saturday 26 November 2011.

New sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy on or after 1 August 2011 (whether or not the proxy was appointed before, on or after that date). Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

More details on these changes is provided below.

#### **Proxy vote if appointment specifies way to vote**

Section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (that is, as directed);

- if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (that is, as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (that is, as directed).

### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC provides that if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members;
- the appointed proxy is not the chair of the meeting;
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### **'Snap-shot' Time**

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Company's directors have determined that all Shares of the Company that are quoted on ASX as at 2.00 pm CDT on the 26 November 2011 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

### **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the offices of PKF, Level 2, 139 Frome Street, Adelaide, South Australia on Monday, 28 November, 2011 at 2.00pm CDT.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

### 1. Financial Statements and Directors' Reports

The Corporations Act requires the Company to place its Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting. No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's Auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

The Company's 2011 Annual Report is available on the Company's website at [www.strzeleckimetals.com.au](http://www.strzeleckimetals.com.au)

### 2. Resolution 1 – Adoption of Remuneration Report

The Annual Report for the year ended 30 June 2011 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Director, specified Executives and non-executive Directors. The report is set out in the Directors' Report of the Annual Report.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and will not bind the Company or the Directors. However, the Board has determined that it will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

With effect from 1 August 2011 the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth) amended the Corporations Act to:

- (a) Prohibit a vote on this resolution being cast (in any capacity) by or on behalf of any of the following persons:

- (i) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (iii) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (iv) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

**Please Note:** In accordance with sections 250R(4) and 250R(5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to Resolution 1 unless the shareholder specifically authorises the Chair to vote in accordance with the Chair's stated voting intentions. **If a shareholder wishes to nominate the Chair as their proxy for the purpose of Resolution 1 the shareholder must either tick the 'for' or 'against' box directing the Chair how to vote, or tick the box authorising the Chair to vote in accordance with his or her stated voting intentions, on the enclosed Proxy Form in order for their proxy vote to be counted.** Alternatively, shareholders can nominate as their proxy for the purpose of Resolution 1 a proxy who is not a member of the Company's Key Management Personnel. That person would be permitted to vote undirected proxies.

**The Chair intends to vote all available proxies in favour of Resolution 1.**

- (b) Introduce a 'two-strike' process in relation to the advisory and non-binding vote on the remuneration report, whereby if at two consecutive AGMs of a listed company at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these AGMs there must be put to the vote a resolution that another meeting be held within 90 days at which all directors (except the managing director) who were directors at the date the remuneration report was approved at the second AGM must stand for re-election. So, in summary, shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives 'two strikes'.

**3. Resolution 2 – Re-election of Dr John Santich as Director of the Company**

Pursuant to clause 59.1 of the Company's Constitution, one-third of the Directors of the Company (rounded down to the nearest whole number) must retire each year. A retiring Director may then be eligible for re-election.

Resolution 2 seeks Shareholder approval for the re-election of Dr John Santich as a Director of the Company.

Details of Dr Santich's qualifications and experience are included on page 4 of the 2011 Annual Report of the Company.

***Director Recommendation***

The Directors (other than Dr Santich who abstains given his personal interest in the Resolution), recommend that Shareholders vote in favour of Dr Santich's re-election as a Director of the Company.



### ***Voting by Proxy***

The Chairman intends to vote any undirected proxies in favour of the re-election of Dr Santich.

#### **4. Resolution 3 – Issue of Unquoted Options to Mr Peter Hunt and/or his nominee**

Resolution 3 seeks Shareholder approval to authorise the issue of 2,750,000 unquoted options to Mr Peter Hunt.

On 6 October 2011 the Board resolved, subject to obtaining shareholder approval, to grant 2,750,000 options to Mr Peter Hunt and/or his nominee each to acquire an ordinary share in the Company with an exercise price, rounded up to the next whole cent, 40% above the volume weighted average price of the Company's shares calculated over the last five days before the date shareholder approval for the grant of the options is given..

Each of the options will have an exercise period of 4 years commencing on the date the options are granted and expiring on the fourth anniversary of that date.

The proposed options grant to Mr Peter Hunt and/or his nominee requires the approval of shareholders pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act. Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because Mr Peter Hunt is a Director of the Company and, as such, a related party of the Company. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act information regarding the proposed options grant is provided as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- Subject to shareholder approval, it is proposed that Mr Hunt and/or his nominee will be granted 2,750,000 options to subscribe for new ordinary shares in the Company. It is considered appropriate to issue options to Mr Hunt as a key component of his remuneration and to provide incentive linked to the performance of the Company. There are no additional performance criteria on the options. It is considered the performance of Mr Hunt and the performance and value of the Company will be closely related. As such, the options to be granted will only be of benefit if the value of the Company increases sufficiently to warrant exercising the options. It is considered that any additional performance criteria are not warranted.
- The breakdown of the options that Mr Hunt and/or his nominee will receive in accordance with Resolution 3 is highlighted in the following table:

Director	No. of Options	Exercise Price	Expiry Date	Value per Option	Total Value
Peter Hunt	2,750,000	40% premium to the five day VWAP to the day of shareholder approval	4 years after grant date	\$0.0156	\$42,900

- No funds will be raised by the grant of the options to Mr Hunt and/or his nominee as they are being granted for no consideration.
- Each option proposed to be granted to Mr Hunt and/or his nominee entitles Mr Hunt and/or his nominee to subscribe for one ordinary share in the Company at the exercise price specified above exercisable during the period between the date of grant and the fourth anniversary of that date. Shares issued on exercise of the options will rank equally in all respects with existing fully paid ordinary shares in the Company.
- The terms and conditions of the options are set out in the annexure to this Explanatory Statement.
- A valuation of the options has been conducted and this value is included above. The valuation imputes a total value of the options to be issued to Mr Hunt and/or his nominee at \$42,900. The value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company. The valuation has applied the Black-Scholes valuation methodology together with the following assumptions:
  - i. A volatility index of 86% based on the historic volatility of the Company's shares;
  - ii. An assumed market value of \$0.03, being the volume-weighted average closing price at which the Company's shares have traded on ASX over 5 trading days up to 6 October 2011, being the day immediately before the date this Notice was lodged at ASIC;
  - iii. For the purposes of the valuation it is assumed that the options will not be exercised any earlier than the expiration date; and
  - iv. A risk free rate of 3.64% has been used.
- The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options granted under Resolution 3:

Current shares issued	360,000,000
Shares issued assuming all existing options are exercised	5,250,000
Shares issued assuming exercise of all the options referred to in Resolution 3	2,750,000
Total shares	368,000,000
Dilution effect	0.75%

- The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options granted under Resolutions 3 to 7 (inclusive), assuming that Resolution 3 to 7 (inclusive) are passed:

Current shares issued	360,000,000
Shares issued assuming all existing options are exercised	5,250,000

Shares issued assuming exercise of all the options referred to in Resolutions 3 to 7	10,000,000
Total shares	375,250,000
Dilution effect	2.66%

- The market price of shares in the Company would normally determine whether or not Mr Hunt and/or his nominee will exercise the options. If the options are exercised at a price that is lower than the price at which shares are trading on ASX, there may be a perceived cost to the Company. The highest, lowest and last recorded market price of the shares quoted on ASX during the 12 month period from 6 October 2010 to 6 October 2011, being the last closing price available on the day immediately before the date this Notice was lodged at ASIC were:

Highest	\$0.038 on 14 January 2011
Lowest	\$0.015 on 7 October 2010
Last	\$0.028 on 6 October 2011

- For the financial year ending 30 June 2011 Mr Hunt received remuneration and superannuation totalling \$60,000.
- The Directors are also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that they properly incur in attending meetings of Directors or any meeting of committees of Directors, in attending meetings of shareholders or in connection with the business of the Company.
- The current share and option holdings of Mr Hunt and his associates is as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Peter Hunt	273,846	-	-	-

- The share and option holdings of Mr Hunt and his associates if Resolution 3 is passed will be as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Peter Hunt	273,846	-	2,750,000	-

- The total value of options proposed to be issued to Mr Hunt and/or his nominee is \$42,900 (the value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company).

- The Directors (other than Mr Hunt) do not have an interest in the outcome of Resolution 3 and recommend that shareholders vote in favour of Resolution 3.
- If Resolution 3 is passed, the options to be granted to Mr Hunt and/or his nominee will be issued and granted not later than one month after the date of the Meeting.

5. **Resolution 4 – Issue of Unquoted Options to Dr John Santich and/or his nominee**

Resolution 4 seeks Shareholder approval to authorise the issue of 2,750,000 unquoted options to Dr John Santich.

On 6 October 2011 the Board resolved, subject to obtaining shareholder approval, to grant 2,750,000 options to Dr John Santich and/or his nominee each to acquire an ordinary share in the Company with an exercise price, rounded up to the next whole cent, 40% above the volume weighted average price of the Company's shares calculated over the last five days before the date shareholder approval for the grant of the options is given.

Each of the options will have an exercise period of 4 years commencing on the date the options are granted and expiring on the fourth anniversary of that date.

The proposed options grant to Dr John Santich and/or his nominee requires the approval of shareholders pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act. Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because Dr John Santich is a Director of the Company and, as such, a related party of the Company. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act information regarding the proposed options grant is provided as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- Subject to shareholder approval, it is proposed that Dr Santich and/or his nominee will be granted 2,750,000 options to subscribe for new ordinary shares in the Company. It is considered appropriate to issue options to Dr Santich as a key component of his remuneration and to provide incentive linked to the performance of the Company. There are no additional performance criteria on the options. It is considered the performance of Dr Santich and the performance and value of the Company will be closely related. As such, the options to be granted will only be of benefit if the value of the Company increases sufficiently to warrant exercising the options. It is considered that any additional performance criteria are not warranted.
- The breakdown of the options that Dr Santich and/or his nominee will receive in accordance with Resolution 4 is highlighted in the following table:

Director	No. of Options	Exercise Price	Expiry Date	Value per Option	Total Value
John Santich	2,750,000	40% premium to the five day VWAP to the day of shareholder approval	4 years after grant date	\$0.0156	\$42,900

- No funds will be raised by the grant of the options to Dr Santich and/or his nominee as they are being granted for no consideration.
- Each option proposed to be granted to Dr Santich and/or his nominee entitles Dr Santich and/or his nominee to subscribe for one ordinary share in the Company at the exercise price specified above exercisable during the period between the date of grant and the fourth anniversary of that date. Shares issued on exercise of the options will rank equally in all respects with existing fully paid ordinary shares in the Company.
- The terms and conditions of the options are set out in the annexure to this Explanatory Statement.
- A valuation of the options has been conducted and this value is included above. The valuation imputes a total value of the options to be issued to Dr Santich and/or his nominee at \$42,900. The value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company. The valuation has applied the Black-Scholes valuation methodology together with the following assumptions:
  - i. A volatility index of 86% based on the historic volatility of the Company's shares;
  - ii. An assumed market value of \$0.03, being the volume-weighted average closing price at which the Company's shares have traded on ASX over 5 trading days up to 6 October 2011, being the day immediately before the date this Notice was lodged at ASIC;
  - iii. For the purposes of the valuation it is assumed that the options will not be exercised any earlier than the expiration date; and
  - iv. A risk free rate of 3.64% has been used.
- The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options granted under Resolution 4:

Current shares issued	360,000,000
Shares issued assuming all existing options are exercised	5,250,000
Shares issued assuming exercise of all the options referred to in Resolution 4	2,750,000

Total shares	368,000,000
Dilution effect	0.75%

- The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options granted under Resolutions 3 to 7 (inclusive), assuming that Resolution 3 to 7 (inclusive) are passed:

Current shares issued	360,000,000
Shares issued assuming all existing options are exercised	5,250,000
Shares issued assuming exercise of all the options referred to in Resolutions 3 to 7	10,000,000
Total shares	375,250,000
Dilution effect	2.66%

- The market price of shares in the Company would normally determine whether or not Dr Santich and/or his nominee will exercise the options. If the options are exercised at a price that is lower than the price at which shares are trading on ASX, there may be a perceived cost to the Company. The highest, lowest and last recorded market price of the shares quoted on ASX during the 12 month period from 6 October 2010 to 6 October 2011, being the last closing price available on the day immediately before the date this Notice was lodged at ASIC were:

Highest	\$0.038 on 14 January 2011
Lowest	\$0.015 on 7 October 2010
Last	\$0.028 on 6 October 2011

- For the financial year ending 30 June 2011 Dr Santich received remuneration and superannuation totalling \$110,000.
- The Directors are also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that they properly incur in attending meetings of Directors or any meeting of committees of Directors, in attending meetings of shareholders or in connection with the business of the Company.
- The current share and option holdings of Dr Santich and his associates is as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
John Santich	-	24,811,940	-	-

- The share and option holdings of Dr Santich and his associates if Resolution 4 is passed will be as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
John Santich	-	24,811,940	-	2,750,000

- The total value of options proposed to be issued to Dr Santich and/or his nominee is \$42,900 (the value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company).
- The Directors (other than Dr Santich) do not have an interest in the outcome of Resolution 4 and recommend that shareholders vote in favour of Resolution 4.
- If Resolution 4 is passed, the options to be granted to Dr Santich and/or his nominee will be issued and granted not later than one month after the date of the Meeting.

6. **Resolution 5 – Issue of Unquoted Options to Mr Simon O’Loughlin and/or his nominee**

Resolution 5 seeks Shareholder approval to authorise the issue of 2,000,000 unquoted options to Mr Simon O’Loughlin.

On 6 October 2011 the Board resolved, subject to obtaining shareholder approval, to grant 2,000,000 options to Mr Simon O’Loughlin and/or his nominee each to acquire on ordinary share in the Company with an exercise price, rounded up to the next whole cent, 40% above the volume weighted average price of the Company’s shares calculated over the last five days before the date shareholder approval for the grant of the options is given.

Each of the options will have an exercise period of 4 years commencing on the date the options are granted and expiring on the fourth anniversary of that date.

The proposed options grant to Mr Simon O’Loughlin and/or his nominee requires the approval of shareholders pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act. Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because Mr Simon O’Loughlin is a Director of the Company and, as such, a related party of the Company. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act information regarding the proposed options grant is provided as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- Subject to shareholder approval, it is proposed that Mr O’Loughlin and/or his nominee will be granted 2,000,000 options to subscribe for new ordinary shares in the Company. It is considered appropriate to issue options to Mr O’Loughlin as a key component of his remuneration and to provide incentive linked to the performance of the Company. There are no additional performance criteria on the options. It is considered the performance of Mr O’Loughlin and the performance and value of the Company will be closely related. As such, the options to be granted will only be of benefit if the value



of the Company increases sufficiently to warrant exercising the options. It is considered that any additional performance criteria are not warranted.

- The breakdown of the options that Mr O'Loughlin and/or his nominee will receive in accordance with Resolution 5 is highlighted in the following table:

Director	No. of Options	Exercise Price	Expiry Date	Value per Option	Total Value
Simon O'Loughlin	2,000,000	40% premium to the five day VWAP to the day of shareholder approval	4 years after grant date	\$0.0156	\$31,200

- No funds will be raised by the grant of the options to Mr O'Loughlin and/or his nominee as they are being granted for no consideration.
- Each option proposed to be granted to Mr O'Loughlin and/or his nominee entitles Mr O'Loughlin and/or his nominee to subscribe for one ordinary share in the Company at the exercise price specified above exercisable during the period between the date of grant and the fourth anniversary of that date. Shares issued on exercise of the options will rank equally in all respects with existing fully paid ordinary shares in the Company.
- The terms and conditions of the options are set out in the annexure to this Explanatory Statement.
- A valuation of the options has been conducted and this value is included above. The valuation imputes a total value of the options to be issued to Dr Santich and/or his nominee at \$31,200. The value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company. The valuation has applied the Black-Scholes valuation methodology together with the following assumptions:
  - A volatility index of 86% based on the historic volatility of the Company's shares;
  - An assumed market value of \$0.03, being the volume-weighted average closing price at which the Company's shares have traded on ASX over 5 trading days up to 6 October 2011, being the day immediately before the date this Notice was lodged at ASIC;
  - For the purposes of the valuation it is assumed that the options will not be exercised any earlier than the expiration date; and
  - A risk free rate of 3.64% has been used.



- The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options granted under Resolution 5:

Current shares issued	360,000,000
Shares issued assuming all existing options are exercised	5,250,000
Shares issued assuming exercise of all the options referred to in Resolution 5	2,000,000
Total shares	368,250,000
Dilution effect	0.54%

- The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options granted under Resolutions 3 to 7 (inclusive), assuming that Resolution 3 to 7 (inclusive) are passed:

Current shares issued	360,000,000
Shares issued assuming all existing options are exercised	5,250,000
Shares issued assuming exercise of all the options referred to in Resolutions 3 to 8	10,000,000
Total shares	375,250,000
Dilution effect	2.66%

- The market price of shares in the Company would normally determine whether or not Mr O'Loughlin and/or his nominee will exercise the options. If the options are exercised at a price that is lower than the price at which shares are trading on ASX, there may be a perceived cost to the Company. The highest, lowest and last recorded market price of the shares quoted on ASX during the 12 month period from 6 October 2010 to 6 October 2011, being the last closing price available on the day immediately before the date this Notice was lodged at ASIC were:

Highest	\$0.038 on 14 January 2011
Lowest	\$0.015 on 7 October 2010
Last	\$0.028 on 6 October 2011

- For the financial year ending 30 June 2011 Mr O'Loughlin received remuneration and superannuation totalling \$41,667.
- The Directors are also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that they properly incur in attending meetings of Directors or any meeting of committees of Directors, in attending meetings of shareholders or in connection with the business of the Company.

- The current share and option holdings of Mr O’Loughlin and his associates is as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Simon O’Loughlin	3,000,000	-	-	-

- The share and option holdings of Mr O’Loughlin and his associates if Resolution 5 is passed will be as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Simon O’Loughlin	3,000,000	-	2,000,000	-

- The total value of options proposed to be issued to Mr O’Loughlin and/or his nominee is \$31,200 (the value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company).
- The Directors (other than Mr O’Loughlin) do not have an interest in the outcome of Resolution 5 and recommend that shareholders vote in favour of Resolution 5.
- If Resolution 5 is passed, the options to be granted to Mr O’Loughlin and/or his nominee will be issued and granted not later than one month after the date of the Meeting.

**7. Resolution 6 – Issue of Unquoted Options to Mr Stephen Evans and/or his nominee**

Resolution 6 seeks Shareholder approval to authorise the issue of 2,000,000 unquoted options to Mr Stephen Evans.

On 6 October 2011 the Board resolved, subject to obtaining shareholder approval, to grant 2,000,000 options to Mr Stephen Evans and/or his nominee each to acquire on ordinary share in the Company with an exercise price, rounded up to the next whole cent, 40% above the volume weighted average price of the Company’s shares calculated over the last five days before the date shareholder approval for the grant of the options is given.

Each of the options will have an exercise period of 4 years commencing on the date the options are granted and expiring on the fourth anniversary of that date.

The proposed options grant to Mr Stephen Evans and/or his nominee requires the approval of shareholders pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act. Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because Mr Stephen Evans is a Director of the Company and, as such, a related party of the Company. If shareholder approval

is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act information regarding the proposed options grant is provided as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- Subject to shareholder approval, it is proposed that Mr Evans and/or his nominee will be granted 2,000,000 options to subscribe for new ordinary shares in the Company. It is considered appropriate to issue options to Mr Evans as a key component of his remuneration and to provide incentive linked to the performance of the Company. There are no additional performance criteria on the options. It is considered the performance of Mr Evans and the performance and value of the Company will be closely related. As such, the options to be granted will only be of benefit if the value of the Company increases sufficiently to warrant exercising the options. It is considered that any additional performance criteria are not warranted.
- The breakdown of the options that Mr Evans and/or his nominee will receive in accordance with Resolution 6 is highlighted in the following table:

Director	No. of Options	Exercise Price	Expiry Date	Value per Option	Total Value
Stephen Evans	2,000,000	40% premium to the five day VWAP to the day of shareholder approval	4 years after grant date	\$0.0156	\$31,200

- No funds will be raised by the grant of the options to Mr Evans and/or his nominee as they are being granted for no consideration.
- Each option proposed to be granted to Mr Evans and/or his nominee entitles Mr Evans and/or his nominee to subscribe for one ordinary share in the Company at the exercise price specified above exercisable during the period between the date of grant and the fourth anniversary of that date. Shares issued on exercise of the options will rank equally in all respects with existing fully paid ordinary shares in the Company.
- The terms and conditions of the options are set out in the annexure to this Explanatory Statement.
- A valuation of the options has been conducted and this value is included above. The valuation imputes a total value of the options to be issued to Mr Evans and/or his nominee at \$31,200. The value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company. The valuation has applied the Black-Scholes valuation methodology together with the following assumptions:
  - i. A volatility index of 86% based on the historic volatility of the Company's shares;

- ii. An assumed market value of \$0.03, being the volume-weighted average closing price at which the Company's shares have traded on ASX over 5 trading days up to 6 October 2011, being the day immediately before the date this Notice was lodged at ASIC;
- iii. For the purposes of the valuation it is assumed that the options will not be exercised any earlier than the expiration date; and
- iv. A risk free rate of 3.64% has been used.

- The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options granted under Resolution 6:

Current shares issued	360,000,000
Shares issued assuming all existing options are exercised	5,250,000
Shares issued assuming exercise of all the options referred to in Resolution 6	2,000,000
Total shares	368,250,000
Dilution effect	0.54%

- The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options granted under Resolutions 3 to 7 (inclusive), assuming that Resolution 3 to 7 (inclusive) are passed:

Current shares issued	360,000,000
Shares issued assuming all existing options are exercised	5,250,000
Shares issued assuming exercise of all the options referred to in Resolutions 3 to 7	10,000,000
Total shares	375,250,000
Dilution effect	2.66%

- The market price of shares in the Company would normally determine whether or not Mr Evans and/or his nominee will exercise the options. If the options are exercised at a price that is lower than the price at which shares are trading on ASX, there may be a perceived cost to the Company. The highest, lowest and last recorded market price of the shares quoted on ASX during the 12 month period from 6 October 2010 to 6 October 2011, being the last closing price available on the day immediately before the date this Notice was lodged at ASIC were:

Highest	\$0.038 on 14 January 2011
Lowest	\$0.015 on 7 October 2010
Last	\$0.028 on 6 October 2011

- For the financial year ending 30 June 2011 Mr Evans received remuneration and superannuation totalling \$41,667.
- The Directors are also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that they properly incur in attending meetings of Directors or any meeting of committees of Directors, in attending meetings of shareholders or in connection with the business of the Company.
- The current share and option holdings of Mr Evans and his associates is as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Stephen Evans	-	3,500,000	-	-

- The share and option holdings of Mr Evans and his associates if Resolution 6 is passed will be as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Stephen Evans	-	3,500,000	-	2,000,000

- The total value of options proposed to be issued to Mr Evans and/or his nominee is \$31,200 (the value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company).
- The Directors (other than Mr Evans) do not have an interest in the outcome of Resolution 6 and recommend that shareholders vote in favour of Resolution 6.
- If Resolution 6 is passed, the options to be granted to Mr Evans and/or his nominee will be issued and granted not later than one month after the date of the Meeting.

**8. Resolution 7 – Issue of Unquoted Options to Mr Donald Stephens and/or his nominee**

Resolution 7 seeks Shareholder approval to authorise the issue of 500,000 unquoted options to Mr Donald Stephens.

On 6 October 2011 the Board resolved, subject to obtaining shareholder approval, to grant 500,000 options to Mr Donald Stephens and/or his nominee each to acquire on ordinary share in the Company with an exercise price, rounded up to the next whole cent, 40% above the volume weighted average price of the Company's shares calculated over the last five days before the date shareholder approval for the grant of the options is given.

Each of the options will have an exercise period of 4 years commencing on the date the options are granted and expiring on the fourth anniversary of that date. ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company on issue at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting, unless an exception in ASX Listing Rule 7.2 applies (none of which are applicable).

The issue of the options to Mr Stephens will not result in the Company breaching the 15% limit referred to in ASX Listing Rule 7.1. The issue of those options does not therefore depend on shareholders passing Resolution 7.

The purpose of Resolution 7 is to obtain shareholder approval for the purpose of ASX Listing Rule 7.1 and for all other purposes. If shareholders approve the issue of the options to Mr Stephens for the purpose of ASX Listing Rule 7.1, the issue of those options will not count towards determining the number of equity securities which the Company can issue in any 12 month period. However, if shareholders do not approve the issue of the options to Mr Stephens for the purpose of ASX Listing Rule 7.1, the issue of those options will count towards the number of equity securities which the Company can issue in any 12 month period.

For the purpose of ASX Listing Rule 7.3, information regarding the options to be granted to Mr Stephens is provided as follows:

- A maximum of 500,000 options will be issued.
- If Resolution 7 is passed, the options will be granted no later than three months after the date of the Meeting.
- The options will be granted for no consideration.
- The options will be granted to Mr Stephens and/or his nominee.
- The terms and conditions of the options are set out in the annexure to this Explanatory Statement.
- As the options are being granted for no consideration, no funds will be raised by their grant.
- All of the options will be allotted on one date.

The Directors do not have an interest in the outcome of Resolution 7 and recommend that shareholders vote in favour of Resolution 7.

## GLOSSARY

In this Notice of Meeting:

**AGM, General Meeting or Meeting** means the annual general meeting of Shareholders convened for the purposes of considering the Resolutions.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the market it operates known as the Australian Securities Exchange, as applicable.

**Board or Board of Directors** means the board of Directors of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

**Company** means Strzelecki Metals Limited ACN 116 249 060.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CDT** means Australian Central Daylight Time.

**Director** means a director of the Company.

**Explanatory Statement** means the Explanatory Statement accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company).

**Listing Rules** means the Listing Rules of the ASX.

**Notice of Meeting** means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

**Proxy Form** means a proxy form accompanying this Notice of Meeting.

**Resolution** means a resolution to be considered at the Annual General Meeting as contained in the Notice of Meeting.

**Share** means a fully paid ordinary share in the Company and includes any New Share.

**Shareholder** means a person registered as a holder of a Share.

## ANNEXURE

### TERMS AND CONDITIONS OF OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.
2. Each of the options will be exercisable at a price, rounded up to the next whole cent, 40% above the volume weighted average price of the Company's shares calculated over the last five days before the date shareholder approval for the grant of the options is given.
3. Each option is exercisable in whole or in part at any time during the period commencing on the date of issue and expiring on the date being four years after the date of issue (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. Options may be transferred in the form commonly used for the transfer of options at any time until the expiry of the Exercise Period, subject to any restrictions that may be imposed by ASX.
8. An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
10. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying ordinary shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stockmarket of ASX during the five trading days



immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

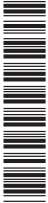
N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

11. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.



**STRZELECKI**  
Metals Limited

ACN 116 249 060



000001 000 STZ  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Lodge your vote:**



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 556 161  
(outside Australia) +61 3 9415 4000

**Proxy Form**

**For your vote to be effective it must be received by 2:00pm (Adelaide time) Saturday 26 November 2011**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

**Review your securityholding**

**Update your securityholding**

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Strzelecki Metals Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Strzelecki Metals Limited to be held at the offices of PKF, Level 2, 139 Frome Street Adelaide, SA on Monday 28 November 2011 at 2:00pm (Adelaide time) and at any adjournment of that meeting.

#### Important for Items 1, 3, 4, 5, 6 & 7 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 1, 3, 4, 5, 6 & 7 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Items 1, 3, 4, 5, 6 & 7, the Chairman of the Meeting will not cast your votes on Items 1, 3, 4, 5, 6 & 7 and your votes will not be counted in computing the required majority if a poll is called on these items. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Items 1, 3, 4, 5, 6 & 7).

The Chairman of the Meeting intends to vote all available proxies in favour of Items 1, 3, 4, 5, 6 & 7 of business.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 1, 3, 4, 5, 6 & 7 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Items 1, 3, 4, 5, 6 & 7 are connected directly or indirectly with the remuneration of a member of key management personnel **and/or even if the Chairman of the Meeting has an interest in the outcome of these items and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.**

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### ORDINARY BUSINESS

	For	Against	Abstain
Item 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Dr John Santich as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Issue of Unquoted Options to Mr Peter Hunt and/or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Issue of Unquoted Options to Dr John Santich and/or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Issue of Unquoted Options to Mr Simon O'Loughlin and/or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Issue of Unquoted Options to Mr Stephen Evans and/or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Issue of Unquoted Options to Mr Donald Stephens and/or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

STZ

999999A

Computershare +



ACN 116 249 060

Level 5  
70 Pirie Street  
ADELAIDE SOUTH AUSTRALIA 5000  
Australia



000001 000 STZ  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Strzelecki Metals Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

A handwritten signature in cursive script that reads 'Donald Stephens'.

**Donald Stephens**  
Company Secretary