STRZELECKI
Metals Limited

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INTERIM FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2009

CONTENTS

STRZELECKI METALS LTD
DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2009.

Directors

The names of each person who has been a Director during the half-year and to the date of this report are:

- Peter Hayden Hunt
- Carl William Dorsch
- John Santich
- Wieslaw Bogacz
- Andrew Zemek (Appointed 16 September 2009)

Review of Operations

POLAND

The Myszków Molybdenum-Copper-Tungsten Project in Southern Poland is located near the towns of Myszków and Żarki, some 80 km NW of Kraków.

During the last 6 months we have consolidated our knowledge of the Myszków deposit based on the results of our drilling in the previous year and additional studies. Our understanding of the resource is based on over 30,000m of diamond drilling (government's and our own) and it can now be certainly described as an 'advanced exploration project', though further drilling is required to bring it to a feasibility study stage.

During the last 6 months we have achieved several important milestones:

- The resource estimation report done by SMG consultants according to the strict criteria of the Australian JORC standard has been further verified by Coffey Mining of Perth during their scoping study. For the first time ever the Myszków resources have been classified according to internationally recognised standards.
- SMG Consultants defined a mineralised envelope of 1.3 billion tonnes[1] within which 726 million tonnes was described as a JORC-compliant inferred resource (at a cut off grade of 617 ppm).
- The Coffey Mining's Concept Study (In November 2009) confirmed that the high grade core of the deposit (about 1/7th of the resource) can support economically viable underground mine for 17-20 years, even at today's relatively low metal prices. Subsequent financial modelling[2] done by the Strzelecki Metals indicates that at the current metal prices the NPV of $114M and a free cashflow of $673M can be achieved. In the above scenario Mo accounts for 52% of revenue, Cu for 30% and WO_3 for 18%.
- Strzelecki Mining has initiated its own metallurgical testing aimed at laboratory scale production of molybdenum, copper and tungsten concentrates. These tests, carried out by a leading consultancy in the UK (Wardell-Armstrong International) confirmed earlier Polish tests stating that the main economic minerals are easily liberated from the host rock and recoveries of well over 80% can be expected in industrial scale plant.
- A programme of re-interpretation of large amounts of existing geophysical data going back to early 1980s has been completed. The data, now in a digital form, has been analysed

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[1] *At a cut-off grade of 500ppm Mo*

[2] *Mo $16.25/lb, Cu $3.1/lb [$6770/t], WO_3 $200/mtu ($9/lb), discount rate 7%, production 7mtpy.*

using modern computerised methods. Together with the analysis of previous drill results it has identified further drilling target both within known deposit and outside it.

- A formal dialog has been initiated with the local community and the future development of Myszków deposit has been entered into the Regional Development Plan by local authorities.

- The application to extend the licence validity to 2016 has been lodged with the Polish authorities (our main concession No 5/2006/ around Myszków). Further steps have been undertaken to prepare environmental reports required for a new licence application in the Kupfershieffer copper basin 200km NW from Myszków.

- The acquisition of 750m^2 freehold building in Kraków has been completed and the building has been refurbished. In addition to the offices of SKKGM (a wholly owned Strzelecki's Polish subsidiary) the building houses a drill core store and some sample preparation facilities.

Strzlecki's concession area in Poland covers 234 km^2 of which the delineated deposit covers only 0.53 km^2. There is a significant exploration potential in several other places within the concession boundaries and we have plenty of data to guide us: in addition to the re-interpretation geophysical data mentioned above we have access to drill logs of 254 holes drilled previously totalling 128,000 metres of diamond drilling.

The size of the deposit places is among the top seven world's largest and its average grade within the first 13% of world's richest deposits[3].

A new drilling program for 2010-2011 is being prepared to better define the high-grade central core of the deposit and move part of the tonnage from the JORC "inferred" resource category to "indicated & measured". The programme envisages diamond drilling of approx. 6000m (6 holes) and it will require further funds. Another round of fundraising is planned in 2010.

On a corporate side the appointment of Andrew Zemek in July 2009 as the *Director of European Operations* (based in London) signalled the shift of the centre of gravity of company's operations towards Europe and was the first step towards listing in Europe.

Significant attempts were made by the Company to bring the size and the quality of the Myszków project to the attention of the major players in the molybdenum and copper industry. Strzelecki took part in the major molybdenum and tungsten conference in China and had a stand at the annual Mines & Money show in London in December. Participation in these events resulted in great interest in the project from international investors and several visits to the site in Poland.

Resource Statement for the molybdenum-copper-tungsten deposit in Myszków, Poland

(100% owned by Strzelecki Metals Ltd)

according to JORC Classification

Category	eMo ppm cutoff	Million Tonnes	eMo ppm	eCu ppm	eMo %	eCu %	Mo ppm	W ppm	Cu ppm	Ag ppm
Mineralisation	500	1327	960		0.096					
Inferred	850	726	1187	5994	0.12	0.60	617	404	1210	2.22
Inferred	1000	507	1300	6576	0.13	0.66	671	460	1295	2.19
Inferred	1500	102	1677	8523	0.17	0.85	779	631	2022	2.30

[3] 726 million tonnes at eMo = 1187ppm and eMo cut-off grade of 850ppm. eMo is 'molybdenum equivalent grade' – a measure bringing in the contribution of copper and tungsten to the value of the ore.

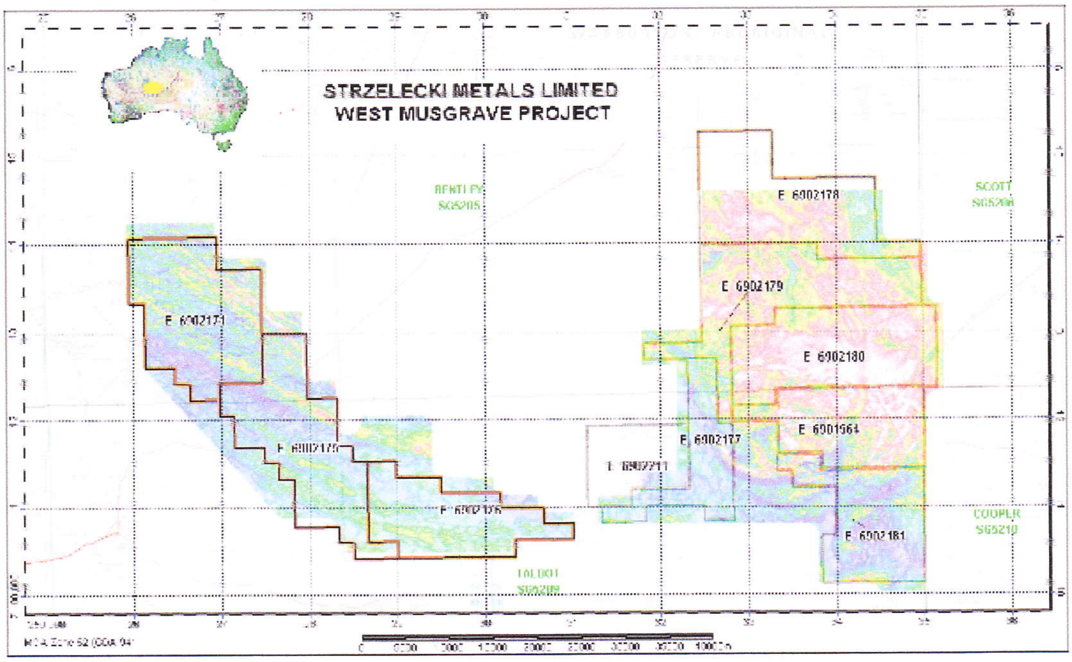
WESTERN AUSTRALIA

West Musgrave Project

The West Musgrave tenements were the subject of a Joint Venture between the Strzelecki Metals Limited and Marathon Resources Limited. During September 2009, Marathon withdrew from the joint venture at no cost to Strzelecki, and in January 2010 a new joint venture was signed with Tortuga Advisors Ltd, subject to Ministerial approval and the consent of the Ngaanyatjarra Council.

The joint venture paves the way for Tortuga to earn up to 80% interest in the tenements by spending $4 million on exploration over the central Australian tenements within five years. Tortuga cannot withdraw from the joint venture before spending $750,000, and once Strzelecki's interest has reduced to 20% it can elect to change its participating interest into a 14% interest free carried to a decision to mine. Tortuga will earn its interest with three expenditure tranches of $0.75, $1.5 and $1.75 million corresponding to an earned interest of 15%, 51% and 80%.
This new agreement covers Strzelecki's nine tenements in the West Musgrave (Warburton and Egerton areas) covering a total of 1,489 square kilometers. These are highly prospective for Gold, Copper, Nickel, PGE as well as Uranium, located as shown in Figure 1. During this reporting period, Strzelecki reluctantly surrendered tenth tenement (E69/2211) as it was clear that the expenditure commitment for that tenement could not be reached in the time frame remaining.

Figure 1 – General Location of Strzelecki's West Musgrave Project



Strzelecki's eastern tenements (Warburton) abut the grounds of BHP Billiton, where the Babel and Nebo Nickel discoveries are located. In the south, the Warburton tenements abut the exploration ground held by Beadell Resources, which recently announced an encouraging gold discovery associated with brecciated rhyolites and agglomerates that are abundant on Strzelecki's ground.

Soil Sampling Program

A soil sampling program has been completed within the six exploration tenements (E69/1564, E69/2177-2181) with a focus on central and southern part of the Eastern portion (Warburton) of the Project Area (Figure 2).

The sample sites were selected to test for mafic affinities as these appear to be the primary hosts for mineralisation identified to date within the region as with the Nebo and Babel mafic hosted Nickel deposit of BHP Billiton, directly east of the project area. A total of 53 elements assayed for including Au, Cu, Ni, PGE and U.

The results from this soil sampling program have been reviewed in conjunction with open file data, and statistically interrogated to identify the probable source lithologies. Based on the interrogation of all data, mafic and possible ultramafic lithological units were interpreted within the area. Several statistically anomalous areas have been identified that warrant further exploration.

Gold: Gold responses tend to be subdued probably due to an aeolian sand component in the samples, and in this context the regional soil response of 50ppb were considered to be significant. There are several zones which show elevated gold responses. In particular, two north easterly trending zones of Au anomalies, surrounding a northerly extending major palaeo-channel feature have been determined.

Copper: Copper responses are more widespread showing a correlation with anomalous PGE, however, still with a similar to Au anomaly location/pattern along a north east trending zones. These zones can be easy correlated with dominant a north east oriented set of regional faults/structures and lithological trend, suggesting a possibility that anomalous geochemistry could be related to such structures. This warrants further exploration in the area.

Nickel: The distribution of the Nickel responses shows close correlation with the Au and Cu responses. There are two distinct areas of elevated responses on each side of the palaeo-channel. Although only one area of mafic lithologies is known from this part of the tenements, the elevated Ni responses suggest the presence of additional mafic sources.

Uranium: The south west corner of the Project area has substantial outcrop of felsic/acid lithologies. The radiometric image shows strong contrast between these levels and the extremely low levels throughout the rest of the area which likely to be due to the sand cover. Uranium levels up to 95ppm, as recorded on the east side of the palaeo-channel, were considered to be anomalous and worthy of follow up exploration.

Inferred Geology
Based on the lithologies indicated by the geochemical analysis of the soil and calcrete samples and field identification of numerous rock chip samples, and limited regional geological information, the inferred geology has been interpreted (Figure 2). The majority of samples in the southwest and central area west of the palaeo-channel have been interpreted as andesitic units. A north-south zone along the western side has been interpreted to be predominately basaltic, while there appears to be a mix of andesitic and basaltic units to the east of the palaeo-channel. Four areas of ultramafic units have been inferred as shown in Figure 2.
The structural components and the extent of the inferred rock units are interpreted from the regional magnetic data. This indicates that tectonic structures in the east part of the Project area (Warburton) are dominated by intensely developed north east oriented fault system, with a less accentuated north west fault trend. Comparing dominant distribution of geochemical anomalies for Au, Cu, Mo and Zn along north east trend, their correlation with structures of this system can be interpreted).

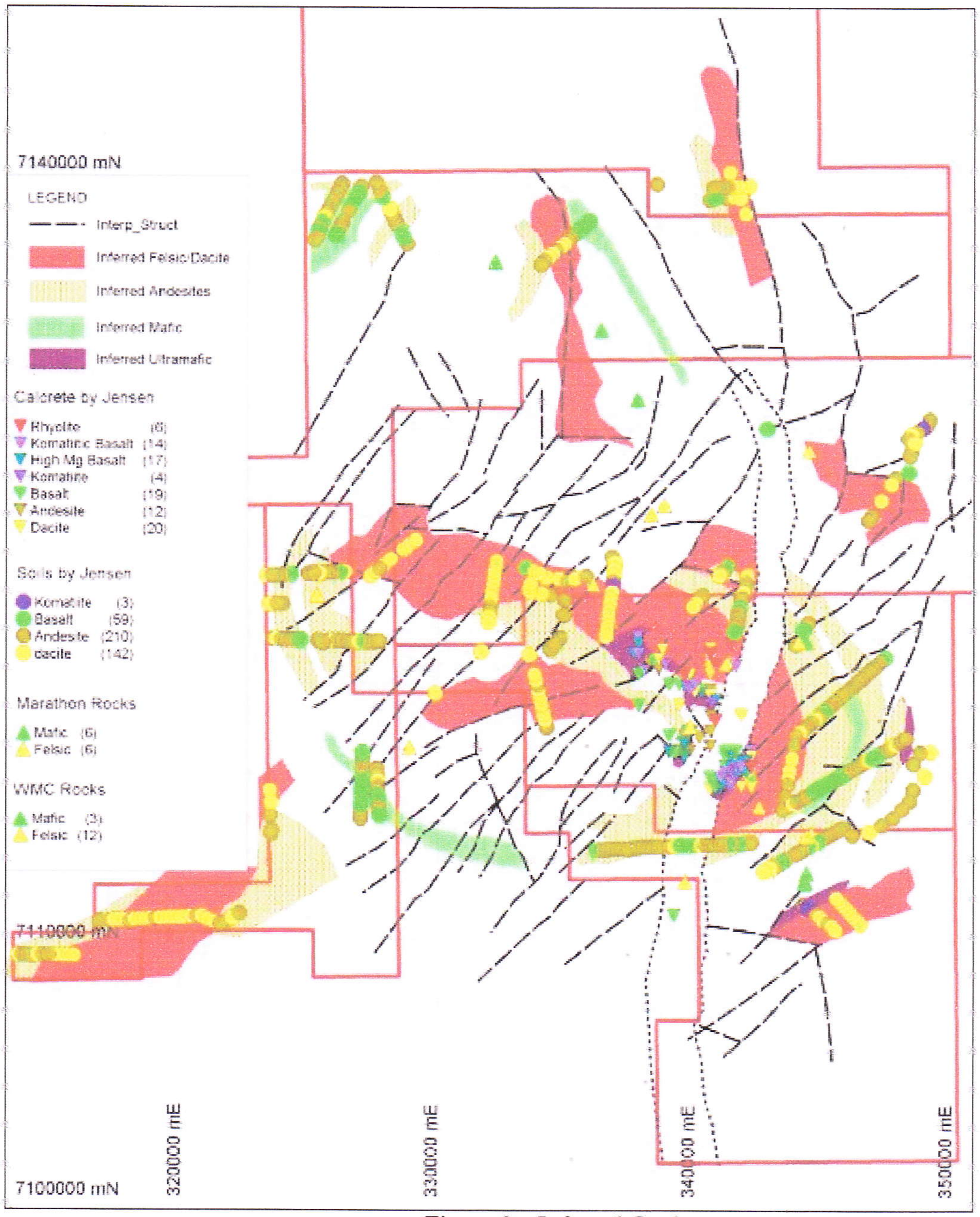


Figure 2 – Inferred Geology

Yandeyarra

Strzelecki Metals and Farno MacMahon Pty Ltd have entered into a Sale Agreement whereby Farno MacMahon has committed to the purchase of the Yandeyarra assets for the consideration of $225,000.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr W Bogacz, Director of Strzelecki *Metals Ltd and a Member of the Australian Institute of Geoscientists. Dr Bogacz has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person for the purposes of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Bogacz consents to inclusion in the report of these matters based on their information in the form and context in which it appears.*

Appointment of Director of European Operations

On 1 July 2009 Andrew Zemek commenced employment as the Director of European operations and was subsequently appointed a director of Strzelecki Metals Limited.

Andrew has a background in economics and has over 30 years of experience in the metals and mining sector ranging from copper and silver trading and hedging to concentrate trading, running exploration programs, fundraising (debt and equity) and research. For many years he was a director of the London Office of the Polish copper and silver producer KGHM, where his duties involved copper, silver and gold trading, both physical and futures. He played an important role in the KGHM's IPO in 1997.

During subsequent years Andrew acquired substantial consulting and research experience working in the UK, Thailand, Kazakhstan, Switzerland and France. After 2002 he ran the London office of a Canadian mining consultancy and eventually became a COO of an AIM-listed exploration company. Andrew is fluent in both English and Polish languages.

Subsequent events

West Musgrave Project

In January 2010 a new joint venture was signed with Tortuga Advisors Ltd, subject to Ministerial approval and the consent of the Ngaanyatjarra Council.

The joint venture paves the way for Tortuga to earn up to 80% interest in the tenements by spending $4 million on exploration over the central Australian tenements within five years. Tortuga cannot withdraw from the joint venture before spending $750,000, and once Strzelecki's interest has reduced to 20% it can elect to change its participating interest into a 14% interest free carried to a decision to mine. Tortuga will earn its interest with three expenditure tranches of $0.75, $1.5 and $1.75 million corresponding to an earned interest of 15%, 51% and 80%.
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Auditor's Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7 for the half year ended 31 December, 2009.

Signed in accordance with a resolution of the Board of Directors

Peter H Hunt
Chairman

Adelaide

Dated this 16th day of March 2010

Grant Thornton

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF STRZELECKI METALS LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Strzelecki Metals Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

J L Humphrey
Partner

Signed at Adelaide on this 16th day of March 2010

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STRZELECKI METALS LTD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2009

	Note	Consolidated Group 31 Dec 2009 $	31 Dec 2008 $
Revenues	2	109,072	241,046
Expenses			
Employee benefits expense		(478,948)	(436,119)
Depreciation and amortisation expense		(52,193)	(150,910)
Other expenses		(433,795)	(523,896)
Impairment expense - exploration assets	3	(19,742)	(1,024,443)
Loss on sale of tenement		(123,773)	-
Finance costs		(33,171)	(235,056)
		(1,141,622)	(2,370,424)
Loss before income tax expense		(1,032,550)	(2,129,378)
Income tax expense		-	-
Loss from continuing operations		(1,032,550)	(2,129,378)
Loss for the period		(1,032,550)	(2,129,378)
Other comprehensive income:			
Exchange differences on translating foreign operations		(61,772)	249,385
Total comprehensive income for the period		**(1,094,322)**	**(1,879,993)**
Basic earnings per share (cents per share)		(0.70)	(0.16)

Notes to the financial statements are included on pages 12 to 17

STRZELECKI METALS LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	Note	Consolidated Group 31 Dec 2009 $	30 June 2009 $
CURRENT ASSETS			
Cash and cash equivalents		1,138,430	1,505,424
Trade and other receivables		337,333	70,663
Other current assets		12,895	224,867
TOTAL CURRENT ASSETS		1,488,658	1,800,954
NON-CURRENT ASSETS			
Property, plant and equipment		737,756	1,054,883
Exploration and evaluation expenditure		28,881,801	28,208,020
TOTAL NON-CURRENT ASSETS		29,619,557	29,262,903
TOTAL ASSETS		31,108,215	31,063,857
CURRENT LIABILITIES			
Trade and other payables		335,817	343,341
Borrowings		505,230	597,393
Short term provisions		38,623	44,002
TOTAL CURRENT LIABILITIES		879,670	984,736
NON-CURRENT LIABILITIES			
Borrowings		31,515	28,944
Long term provisions		2,319	1,957
TOTAL NON-CURRENT LIABILITIES		33,834	30,901
TOTAL LIABILITIES		913,504	1,015,637
NET ASSETS		30,194,711	30,048,220
EQUITY			
Issued capital	5	34,789,938	33,677,455
Reserves	6	2,571,293	2,504,735
Retained earnings		(7,166,520)	(6,133,970)
TOTAL EQUITY		30,194,711	30,048,220

Notes to the financial statements are included on pages 12 to 17

STRZELECKI METALS LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2009

	Consolidated Group	
	31 Dec 2009 $	31 Dec 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,110	85,172
Payments to suppliers and employees	(651,323)	(1,076,555)
Interest received	70,287	155,874
Interest paid	-	(213,140)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(578,926)	(1,048,649)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(43,318)	(887,505)
Payments for exploration expenditure	(800,812)	(995,673)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(844,130)	(1,883,178)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for transactions costs associated with capital raisings	(41,517)	-
Repayment of borrowings	(56,421)	(82,089)
Proceeds from borrowings	-	500,000
Proceeds from issue of shares	1,154,000	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,056,062	417,911
Net decrease in cash held	(366,994)	(2,513,916)
Cash at beginning of period	1,505,424	6,882,790
Cash at end of period	1,138,430	4,368,874

Notes to the financial statements are included on pages 12 to 17

STRZELECKI METALS LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2009

	Issued Capital $	Share Based Payments Reserve $	Share Option Reserve $	Currency Translation Reserve $	Retained Earnings $	Total $
BALANCE AT 1 JULY 2008	33,677,590	3,253,078	743,120	-	(3,768,583)	33,905,205
Total comprehensive income for the period	-	-	-	249,385	(2,129,378)	(1,879,993)
Option reserve on recognition of the bonus element of options	-	128,578	-	-	-	128,578
BALANCE AT 31 DECEMBER 2008	33,677,590	3,381,656	743,120	249,385	(5,897,961)	32,153,790

	Issued Capital $	Share Based Payments Reserve $	Share Option Reserve $	Currency Translation Reserve $	Retained Earnings $	Total $
BALANCE AT 1 JULY 2009	33,677,455	2,508,316	743,120	(746,701)	(6,133,970)	30,048,220
Total comprehensive income for the period	-	-	-	(61,772)	(1,032,550)	(1,094,322)
Option reserve on recognition of the bonus element of options	-	128,331	-	-	-	128,331
Issue of share capital	1,112,483	-	-	-	-	1,112,483
BALANCE AT 31 DECEMBER 2009	34,789,938	2,636,647	743,120	(808,473)	(7,166,520)	30,194,712

Notes to the financial statements are included on pages 12 to 17

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009

NOTE 1 – Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Strzelecki Metals Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

The Company is a company domiciled in Australia. The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2009 is available at www.strzeleckimetals.com.au.

Accounting Standards not Previously Applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the separate income statement/single statement approach to the presentation of the Statement of Comprehensive Income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third Statement of Financial Position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are provided to, or reviewed by, the group's chief operating decision maker which, for the Group, is the board of directors.

NOTE 2 – Revenue for the period

The following revenue items are relevant in explaining the financial performance for the interim period:

	Consolidated Group	
	31 December 2009 $	31 December 2008 $
Recoupment of joint venture expenses	13,686	35,277
Gold sales	-	49,895
Interest received	70,287	155,874
Other income	25,099	-
Total	**109,072**	**241,046**

NOTE 3 - Impairment Charge

At December 31, 2009, the Directors' reviewed the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. For those prospects where the Directors believed such an indication existed at December 31, 2009, they compared the asset's fair value less costs to sell and value in use to the asset's carrying value. Where it was not possible to estimate the recoverable amount of an individual asset, the Directors' estimated the recoverable amount of the cash-generating unit to which the asset belongs.

Applying these principals to the Group's exploration and evaluation expenditure assets, at December 31, 2009 the Group recorded an impairment charge of $19,742.

	Consolidated Group	
	31 December 2009 $	31 December 2008 $
Impairment – Exploration Expenditure	(19,742)	(1,024,443)

NOTE 4 – SEGMENT ANALYSIS

Segment Information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of geographical location since the diversification of the Group's operations have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment.

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been restated to conform to the requirements of the Standard.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009

(i) Segment Performance

Six months to 31 December 2009	**Australia**	**Poland**	**Total**
	$	**$**	**$**
Total segment revenue	224,817	82,492	307,309
Inter-segment elimination			(198,237)
Total group revenue			109,072
Segment net loss before tax	**(274,432)**	**(758,118)**	**(1,032,550)**

Six months to 31 December 2008	**Australia**	**Poland**	**Total**
	$	**$**	**$**
Total segment revenue	241,046	-	241,046
Segment net loss before tax	**(1,553,755)**	**(575,623)**	**(2,129,378)**

(ii) Segment assets

	Australia	Poland	Total
31 December 2009	**$**	**$**	**$**
Segment assets	**14,504,571**	**25,980,858**	**40,485,429**
Inter segment eliminations			(9,377,214)
Total group assets from continuing operations			**31,108,215**
Segment asset increases for the period:			
• capital expenditure	5,301	38,017	43,318
• Exploration expenditure	533,460	267,352	800,812
	538,761	**305,369**	**844,130**

	Australia	Poland	Total
30 June 2009	**$**	**$**	**$**
Segment assets	**13,635,761**	**25,776,928**	**39,412,689**
Inter segment eliminations			(8,348,832)
Total group assets from continuing operations			**31,063,857**
Segment asset increases for the period:			
• capital expenditure	97,173	576,528	673,701
• Exploration expenditure	920,609	1,578,530	2,499,139
	1,017,782	**2,155,058**	**3,172,840**

(iii) Segment liabilities

31 December 2009	Australia $	Poland $	Total $
Segment liabilities	4,375,418	5,730,510	10,105,928
Inter-segment eliminations	-	-	(9,192,424)
Total group liabilities from continuing operations	-	-	913,504

30 June 2009	Australia $	Poland $	Total $
Segment liabilities	4,086,174	5,260,781	9,346,955
Inter-segment eliminations	-	-	(8,331,319)
Total group liabilities from continuing operations	-	-	1,015,636

NOTE 5 – SHARE ISSUES

During the six months period to 31 December 2009 16,400,000 shares were issued to sophisticated investors and 5,138,445 shares were issued pursuant to a shareholder purchase plan on 16 November 2009. Shares issued and authorised for the period to 31 December 2009 are as follows:

6 months to 31 December 2009	**Number**	**$**
As at 1 July 2009	136,175,090	33,677,455
Issue of Shares	21,538,445	1,154,000
At 31 December 2009	**157,713,535**	**34,831,455**

NOTE 6 – OPTION ISSUES

During the six months period to 31 December 2009 2,500,000 options were issued for services rendered to the company or under contractual agreements with employees. Options issued and authorised for the period to 31 December 2009 are as follows:

6 months to 31 December 2009	**Number**
As at 1 July 2009	105,440,072
Issue of Options	2,500,000
At 31 December 2009	**107,940,072**

No options were exercised during the period.

NOTE 7 – CONTINGENT LIABILITIES

During the six months a legal claim was brought against the Company for claims under a contract of service. At 31 December 2009 management considered this claim to be unjustified and no provision had been recognised.

NOTE 8 – GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of a going concern. The cash flow projections of the company indicate that the company is reliant on the completion of an asset sale and raising of additional capital for the continued development of its existing projects and working capital.

The Company's and consolidated entity's ability to continue as a going concern is contingent upon the completion of an asset sale and obtaining capital as required. If the asset sale and/or additional funds are not raised, the going concern basis may not be appropriate, with the result that the consolidated entity may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and in amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

NOTE 9 – EVENTS OCCURING AFTER THE REPORTING DATE

Subsequent to 31 December 2009, the Company issued the following Options:

2,250,000 unquoted options expiring 17 February 2013 exercisable at $0.10 issued pursuant to the Employee Share Option Plan.

Upon the acquisition of Strzelecki Mining Pty Ltd by the company on 13 June 2008, 10,000,000 Performance Options were issued as part consideration to the vendors of Strzelecki Mining Pty Ltd. Terms for the issue of those options included:

- The options will not be exercisable unless an agreement is entered into by 1 March 2010 with a Major Miner to associate with Strzelecki or SKKGM with a view to joint venturing exploration within the Kupferschieffer Basin; and

- will lapse if the Major Miner agreement contemplated above is not entered into by 1 March 2010

As the Major Miner agreement was not entered into prior to 1 March 2010, the options have lapsed.

On 14 March 2010, 1,000,000 options were not exercised and therefore lapsed at the exercise date.

Other than noted above, there have been no other material subsequent events.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 8 to 17 are in accordance with the Corporations Act 2001, including:
   a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
   b) complying with Accounting Standard AASB 134 "Interim Financial Reporting."
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Peter H Hunt
Chairman

Adelaide

Dated this 16th day of March 2010

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF STRZELECKI METALS LIMITED

We have reviewed the accompanying half-year financial report of Strzelecki Metals Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF STRZELECKI METALS LIMITED Cont

Auditor's responsibility Cont

As the auditor of Strzelecki Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Strzelecki Metals Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Significant uncertainty regarding continuation as a going concern

Without qualification to the conclusion expressed above, we draw attention to Note 8 to the half-year financial report. These conditions indicate the existence of a significant uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as a going concern. The half-year financial report has been prepared on the basis of going concern. The company and consolidated entity are reliant on the completion of asset sales and/or raising of additional capital for the continued development of their exiting projects and working capital.

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF STRZELECKI METALS LIMITED Cont

Significant uncertainty regarding continuation as a going concern Cont

The company and consolidated entity's ability to continue as a going concern is contingent upon the completion of asset sales and/or successfully raising additional capital. If the asset sale is not completed and/or additional funds are not raised, the going concern basis may not be appropriate, with the result that the company and consolidated entity may have to realise their assets and extinguish their liabilities, other than in the ordinary course of business and in amounts different from those stated in the half-year financial report. No allowance for such circumstances has been made in the financial report.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

J L Humphrey
Partner

Signed at Adelaide on this 16th day of March 2010