

**ASX/MEDIA RELEASE**27<sup>th</sup> May 2010The Manager  
Companies Announcements Office  
Australian Securities Exchange  
Electronic Lodgement**STRZELECKI'S MOLYBDENUM-COPPER EXPLORATION LICENCE  
EXTENDED BY 5 YEARS TO 2016  
NEW STAGE OF DRILLING TO START IN 2010.****Highlights:**

- **Strzelecki's 211 km<sup>2</sup> Myszków-Żarki concession in Poland extended to 2016;**
- **Diamond drilling programme of 6,000m in the Myszków deposit to upgrade the resource from Inferred to Indicated category set to start in 2010;**
- **New copper and copper-molybdenum gravity/magnetic targets outside of the Myszków deposit to be drill tested;**

Strzelecki Metals Limited [the Company] (ASX:STZ) is pleased to announce that it has received a 5 year extension to its exploration licence in Poland. The new irrevocable licence granted by the Polish Government is valid to 21<sup>st</sup> May 2016 and can be extended up to a total of 30 years. The area of the licence, which is located in the vicinity of the towns Myszków and Żarki in southern Poland has been slightly reduced from 234 km<sup>2</sup> to 211 km<sup>2</sup> mainly due to administrative reasons. The concession has been held in the name of Slasko Krakowska Kompania Gornictwa Metali (SKKGM), a wholly owned Polish subsidiary of the Company, since 2006.

Since that time, the Company has acquired a freehold property near the town of Krakow (South Poland) to establish its Polish operation's technical and administrative base, employed adequate geological and other professional staff and carried out over 3,000m of diamond drilling over the licence. A JORC-compliant Inferred resource of the Myszków Mo-Cu-W deposit was established. The deposit's Inferred resource identified to date contains 726 million tonnes at 850eMo cut-off with attractive grades of molybdenum (617-779 ppm Mo) as estimated by SMG consultants (Brisbane) in early 2009, later confirmed by Coffey Mining (Perth). The resource estimate is based on over 30,000m of Polish Government's and Strzelecki's own drilling.

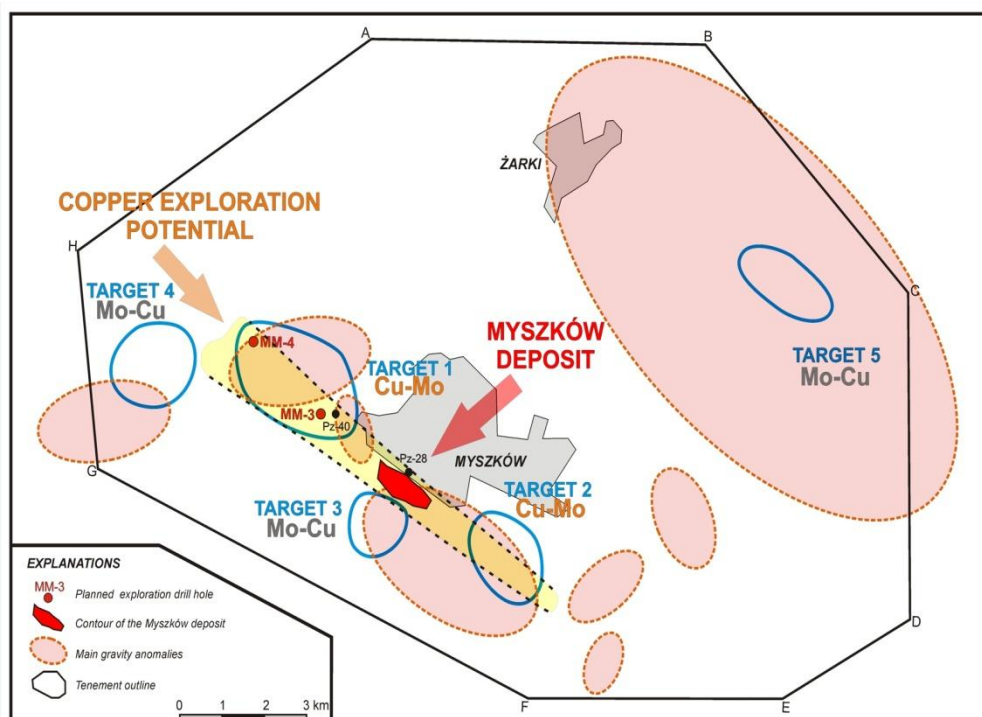
At the end of 2009 the Company received an important study prepared by Coffey Mining (Perth) on a mine development and recommendations for the next stage of the deposit's drilling. The concept study concluded that the high grade core of the deposit on its own (approx 102 Mt) can support a 20-year life conventional underground mine.

Early in 2010, in addition to existing Polish metallurgical tests on ore from the Myszków deposit, further tests based on a drill core sample from MM1 hole drilled by the Company was carried out by Wardell-Armstrong International in the UK. These metallurgical tests confirm that three

dominant metals (Mo, Cu, W) of the deposit are freely liberating from the host rock and can be made into industry-standard concentrates through standard flotation showing recoveries well over 80% for Mo and Cu. From the above studies and the Company's drilling results it is concluded that at Myszków a world class sized and potentially mineable deposit of molybdenum-copper-tungsten has been identified.

The resource is currently classified under the JORC code as Inferred. The objective of the forthcoming drilling program envisaged by the Company and recommended by Coffey Mining is to upgrade a part of the deposit to the Indicated category. The new holes (infill drilling) will allow better definition of the deposit, which will be essential for a pre-feasibility.

In addition to the infill drilling of the already defined Myszków deposit, the exploration drilling testing of new copper and molybdenum-copper targets is planned in other areas of the 211 km<sup>2</sup> concession. Earlier this year Strzelecki Polish geophysical consultants completed detailed analysis and re-interpretation of the existing geophysical database (magnetic and gravity) and review of drill logs previously drilled by the Polish Government in the concession area. As a result of this work, several target zones have been identified, including 5 drill ready targets (see map below).



Dr John Santich, Director of Strzelecki Metals Ltd said in reaction to the granting of the licence extension:

"Granting of the 5-year extension to our Polish concession is a true milestone for our company. Over the past 4 years we were building the foundations of a successful foreign exploration company in Poland. Now we can start building on those foundations leading to a feasibility study and eventually building of a mine. The area has a significant exploration 'blue sky' potential, and while advancing our knowledge of the Myszków deposit, we certainly want to test this potential."

Dr Santich added that the Company had exemplary relationships with the granting authorities and the local government, as well as good local knowledge and excellent Polish staff. He noted

that as well as good infrastructure, Poland offered a stable economic environment (the only EU country recording growth in a general recession elsewhere in Europe).

Dr Santich said “with the new licence extension, the Company was assured that it would be staying in Poland for the long term”.

The Company reported that in view of its strong future it had appointed Mr Bart Bogacz to the board of its Polish subsidiary SKKGM. Bart Bogacz is based in Krakow and with a knowledge of Australian and Polish business practices, will oversee the Polish operations, reporting to the Director of European Operations, Mr Andrew Zemek.

”Bart Bogacz has been working with us for several years and with his Australian background of Applied Mathematics, Masters in Marketing and Masters of Business Administration, is well placed to ensure that SKKGM operates efficiently and to international standards,” said Dr Santich.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr W Bogacz, a 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 the inclusion in the report of these matters based on their information in the form and context in which it appears.*

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**ABOUT STRZELECKI METALS**

Strzelecki Metals is a minerals exploration and development company, with offices in Adelaide, Australia and Krakow, Poland. Strzelecki is listed on the Australian Securities Exchange (ASX: STZ) and operates in Poland through its wholly owned subsidiary, Śląsko Krakowska Kompania Górnictwa Metali Sp. z o.o. (SKKGM).

In Poland, SKKGM holds a 211 km<sup>2</sup> Concession over the Myszków-Żarki mineral system in southern Poland, which includes the Myszków molybdenum-copper-tungsten deposit (0.53 km<sup>2</sup>). Based on over 30,000m of existing drill hole data, this deposit has inferred resource of 726Mt with an average grades 617ppm Mo, 1210ppm Cu, 404ppm W and 2.22g/t Ag. The depth and lateral extents of this resource are still open. Strzelecki continues its exploration programme of this deposit and is also testing new targets within the concession area.

In Australia, Strzelecki holds highly prospective mineral tenements in the Western Musgraves in Western Australia, where its focus is the discovery of commercial deposits of precious and base metals (Cu, Au, Ni & U) and the formation of joint ventures with major resource companies to leverage greater exploration flexibility.

**For more information please visit the Company website: [www.strzeleckimetals.com.au](http://www.strzeleckimetals.com.au)**