



STRZELECKI
Metals Limited

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NON-RENOUNCEABLE FULLY UNDERWRITTEN RIGHTS ISSUE

OFFER DOCUMENT

A fully underwritten pro-rata non-renounceable rights issue to Eligible Shareholders of 1 New Share for every 1 Share held at 6 August 2010 at an issue price of \$0.01 per New Share to raise approximately \$1.8 million before costs of the Offer.

This document is not a prospectus. It does not necessarily contain all of the information that a prospective investor would find in a prospectus or which may be required in order to make an investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This is an important document that requires your immediate attention. It should be read in its entirety. You may wish to consult your professional adviser about its contents.

The New Shares offered under this Offer Document have not been registered under the US Securities Act and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any US Person, except pursuant to applicable exceptions from registration.

If you do not lodge an Entitlement and Acceptance Form by 25 August 2010, you will not be issued New Shares in Strzelecki Metals.

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Important Information

The Corporations Act was amended to introduce the ability for listed companies to make a pro-rata entitlement offer of securities to existing Shareholders without a disclosure document. The Offer to which this Offer Document relates complies with the requirements of section 708AA of the Corporations Act as notionally modified by ASIC Class Order 08/35 and accordingly, this Offer Document is without disclosure under Part 6D.2 of the Corporations Act and is not required to be lodged or registered with ASIC. This Offer Document is provided for information purposes and is not, and does not purport to be, a prospectus or other disclosure document for the purposes of the Corporations Act. Accordingly, this Offer Document does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document, and does not necessarily contain all of the information which a prospective investor may require to make an investment decision.

This Offer Document is dated 28 July 2010. This Offer Document is not a prospectus and has not been lodged with ASIC. Neither ASIC nor ASX, nor any of their officers or employees takes responsibility for this Offer or the merits of the investment to which this Offer relates. Before deciding whether to apply for New Shares you should consider whether they are a suitable investment for you in the light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Prospectus, you have any questions about the Offer, you should contact your stockbroker, accountant or other professional adviser.

The potential tax effects of the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, sent to Eligible Shareholders with this Offer Document.

The Entitlement Offer is made only to those Eligible Shareholders with registered addresses in Australia and New Zealand and only those Eligible Shareholders will be offered New Shares. No action has been taken to permit the offer of New Shares under this Offer Document in any jurisdiction other than Australia and New Zealand. In particular, the New Shares have not been and will not be registered under the US Securities Act and may not be offered, sold or delivered within the US or to or for the account or benefit of any US Person, except pursuant to applicable exceptions from registration. In addition, hedging transactions with respect to the New Shares may not be conducted unless in accordance with the US Securities Act. The distribution of this Offer Document in any jurisdiction other than Australia or New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Offer Document does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Offer Document or make such an offer.

Future performance and forward looking statements

Applicants should note that the past share price performance of Strzelecki Metals provides no guidance as to its future share price performance.

Any forward looking statements in this Offer Document are based on Strzelecki Metals' current expectations about future events. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Strzelecki Metals and its Board, which could cause actual results, performance and achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Prospectus.

Disclaimer

No person is authorised to give any information, or to make any representation in connection with the Offer that is not contained in this Offer Document. Any information or representation that is not in this Offer Document may not be relied on as having been authorized by Strzelecki Metals in connection with the Offer.

Terms used in this Offer Document are defined in Section 7.

Key Dates

Event	Date
Announcement of Offer	Wednesday 28 July 2010
Offer Document and Appendix 3B lodged with the ASX	Wednesday 28 July 2010
Letter to Shareholders	Thursday 29 July 2010
Ex-date – the date on which Existing Shares commence trading without the Entitlement to participate in the Offer	Friday 30 July 2010
Record Date – the date for determining Entitlements of Eligible Shareholders to participate in the Offer	Friday 6 August 2010
Offer Document sent to Shareholders – Offer opens	Wednesday 11 August 2010
Closing Date (5.00pm ACST)	Wednesday 25 August 2010
Securities quoted on a deferred settlement basis	Thursday 26 August 2010
Rights issue shortfall notified to ASX	Monday 30 August 2010
Despatch date (deferred settlement trading ends)	Monday 6 September 2010
Normal trading resumes	Tuesday 7 September 2010

Note: These dates are subject to change and are indicative only.

STZ reserves the right to amend this timetable including, subject to the Corporations Act and Listing Rules, to extend the Closing Date.

** The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. The date that the New Shares are expected to commence trading on the ASX may vary with any change to the Closing Date.*

Letter from the Chairman

Dear Shareholder

On behalf of the Directors of Strzelecki Metals Limited I am pleased to offer you the opportunity to participate in a pro-rata non-renounceable rights issue in Strzelecki Metals as announced by the Company on Wednesday 28 July 2010 (the Rights Issue).

In view of recent developments in the Company's project in Poland and the need for further funding the Directors wish to provide the opportunity for eligible shareholders to invest under the Rights Issue. Each shareholder eligible to participate in the Rights Issue will be entitled to subscribe for 1 New Share in the capital of the Company for every 1 existing ordinary share registered in their name at 7.00 pm ACST on Friday 6 August 2010 (the Record Date).

The 1 for 1 pro-rata non-renounceable rights issue will raise approximately \$1.8 million (before costs) through the issue of approximately 180 million new fully paid ordinary shares (New Shares) (subject to the issue of any further Shares pursuant to the exercise of any options prior to the Record Date).

The New Shares will be issued at a cost of 1 cent per share, which represents a 50% discount to the Company's five day Volume Weighted Average Price and a 33.33% discount to the last sale price of 1.5 cents recorded on ASX prior to the date of the announcement of the Rights Issue.

The Rights Issue is fully underwritten by Taylor Collison Limited. At the close of the Issue the underwriter will place the shortfall, if any, and current shareholders who have not participated fully in the Offer will be diluted accordingly in respect of their holding in the company.

The net proceeds from the Rights Issue will be used for the following purposes:

- The search for and acquisition of new mineral assets;
- The search for a joint venture partner to fund the Myskow project;
- To supplement the Company's working capital.

In relation to the Company's Myszkow project there has been a perceived inability to create value for shareholders. A primary molybdenum deposit with copper, tungsten and silver by products, the size and quality of the project is undoubted. The future of molybdenum and its increasing importance in the specialty steel sector has been recognised by listing of the metal on the London Metals Exchange. The deposit is favourably placed in a stable social, political and financial environment, close to infrastructure, skilled labour and markets. The grade and depth of the deposit, with a requirement for underground mining means that the project is likely to only appeal to larger industry participants. With the achievement of a number of important milestones, a strong external industry partner will be sought to fund and advance the project to the next stage.

Over the past two years, while advancing the Myszkow project, the Company has concentrated on ensuring that its energy is focused on the highest quality projects. A number of projects have been relinquished while the strategically placed West Musgrave project, near Warburton in Western Australia, has been joint ventured. The Company believes the present economic environment lends itself to a strategy of research and acquiring advanced exploration projects which can be brought on stream in the short to medium term. A number of projects have already been introduced to the Company, some of which have been assessed as wanting while others are under examination. It is anticipated that with increased funding available for this activity the number of projects available for assessment will increase.

In reviewing the Company's philosophy several changes in direction and management have been introduced. New directors will ensure that fresh ideas are introduced while maintaining continuity on both the parent board and that of the Polish subsidiary. The new directors will add their corporate

expertise in the restructured board, and the Company will add to a long list of successful company restructures adding value for shareholders.

The new members of the Board will be Mr Stephen Evans and Mr Simon O'Loughlin. I welcome Mr Evans and Mr O'Loughlin, both of whom have extensive experience in the resources and corporate sectors which will significantly strengthen and consolidate the expertise of the Board.

As already announced, Mr Andrew Zemek has resigned for the Board and new arrangements ensure that he continues to assist the Company to fund its Polish assets. With effect from conclusion of the Rights Issue, Mr Carl Dorsch will step down from the Board to concentrate on his oil & gas business while Dr Vic Bogacz will also resign from the Board while remaining Chairman of the Company's Polish subsidiary Slasko Krakowska Kompania Gornictwa Metali Sp z o.o. and providing expert technical advice to the Company.

All of these changes will, we believe, raise the profile of the Company and see more interest in the development of the Company. Funds from the rights issue and the support and vision provided by new Board members will alter the investment balance in favour of the Company. A joint venture or partial sale of the Company's Polish assets will free up expertise and cash for new projects that will strengthen your Company.

Mineral exploration and development requires funding and the management of risk. Your Board believes that these current moves will allow the Company to capitalise on sound and potentially profitable assets.

I recommend you seek independent investment advice from your stockbroker, accountant or other professional advisor before making any investment decision.

The Board of Strzelecki Metals looks forward to your participation in the Rights Issue.

Yours faithfully



PETER HUNT
Non-Executive Chairman

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NON-RENOUNCEABLE RIGHTS ISSUE

1 KEY INFORMATION

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Offer Document.

1.1 Offer

Strzelecki Metals is making a pro-rata non-renounceable rights issue offering Eligible Shareholders 1 New Share for every 1 Share held as at the Record Date, at an issue price of \$0.01.

The closing date and time for acceptances and payments is 5.00pm ACST on 25 August 2010.

The details of the Entitlement Offer are set out in full in section 2.

1.2 What you need to do

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements will be rounded up to the nearest whole Share. You may do one of the following:

- take up your Entitlement in full;
- take up part of your Entitlement and allow the balance to lapse; or
- allow all or part of your Entitlement to lapse. See section 3 for detailed instructions on what you need to do.

1.3 Purposes of the Offer and use of proceeds

As the Rights Issue under this Offer Document is underwritten, the Offer will result in the issue of 180,000,000 New Shares, raising approximately \$1.8 million (before the costs of the Offer).

The purpose of the Offer is to raise additional equity funding to enable Strzelecki Metals to assess the potential acquisition of other mineral projects and to enhance its mineral development program, as well as for general working capital purposes.

The purposes of the Offer are discussed more fully in section 4.

1.4 Effects of the Offer on the capital of Strzelecki Metals

The following table shows the proposed capital structure of the Company on completion of the Offer if the Rights Issue under this Offer Document is fully subscribed.

Shares	Number
Existing Shares on issue at the date of this announcement	180,000,000
Number of New Shares to be issued under the Offer	180,000,000
Total Shares on issue after the Offer	360,000,000

1.5 Risk factors

An investment in Strzelecki Metals involves general risks associated with an investment in the share market. The price of New Shares may rise or fall.

There are also a number of risk factors, both specific to Strzelecki Metals and of a general nature, which may affect the future operating and financial performance of Strzelecki Metals and the value of an investment in Strzelecki Metals. The specific and general risk factors are described in section 5. Before deciding to invest in Strzelecki Metals, prospective investors should consider those factors carefully.

2 DETAILS OF THE OFFER

2.1 The Offer

Strzelecki Metals is making a pro-rata non-renounceable rights issue offering Eligible Shareholders 1 New Share for 1 Share held.

The issue price of \$0.01 per New Share is payable in full on making an Application.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements will be rounded up to the nearest whole Share.

Being underwritten, the Offer will be fully subscribed and the total number of New Shares issued under the Offer will be approximately 180 million. After subscription for all the New Shares, the gross proceeds (before the costs of the Offer) will be approximately \$1.8 million.

The closing date and time for acceptances and payments is 5.00pm ACST on 25 August 2010 (subject to any extension by the Directors).

2.2 Who is entitled to participate in the Entitlement Offer

Every shareholder registered as the holder of fully paid ordinary shares in Strzelecki Metals at 7.00pm ACST on the Record Date, whose registered address is in Australia or New Zealand, is entitled to participate in the Entitlement Offer. The number of New Shares to which each Shareholder is entitled is shown in the accompanying Entitlement and Acceptance Form.

2.3 Rights trading

This Entitlement Offer is made on a non-renounceable basis such that Eligible Shareholders may not sell or transfer all or part of their Entitlement.

2.4 Underwriting

The Rights Issue is fully underwritten by Taylor Collison Limited. At the close of the Issue, in the event that no rights were taken up by existing shareholders, the Underwriter could hold up to 50% of the capital of Company. If the take-up of the Offer was 25%, 50% or 75%, the corresponding proportion held by the Underwriter would be 12.5%, 25% and 37.5%.

2.5 Minimum Subscription

There is no minimum subscription for the Offer.

2.6 ASX quotation

Strzelecki Metals will make an application to ASX for admission of the New Shares to quotation on ASX within 7 days after the date of this Offer Document.

If the New Shares are not admitted to Official Quotation on the ASX within three months after the date of this Offer Document, or such longer period as is permitted by the *Corporations Act*, none of the New Shares will be granted. In that circumstance, all Applications will be dealt with in accordance with Section 724 of the *Corporations Act*.

2.7 Issue of New Shares

New Shares will be issued as soon as practicable after the Closing Date and holding statements are anticipated to be despatched on 6 September 2010.

Issues of New Shares under this Offer Document will only be made after permission for their quotation on ASX has been granted.

Subscription money will be held in a subscription account until the New Shares are issued. This account will be established and kept by Strzelecki Metals on behalf of each participating Eligible Shareholder and Applicant.

Interest earned on the subscription money will be for the benefit of Strzelecki Metals, and will be retained by Strzelecki Metals irrespective of whether New Shares are issued.

2.8 Brokerage

The Company will not pay brokerage commission other than the Underwriting and Management fee payable to the underwriter.

2.9 Foreign Shareholders

This Entitlement Offer is made only to Shareholders with a registered address in Australia or New Zealand as at the Record Date.

Strzelecki Metals is of the view that it is unreasonable to make the Entitlement Offer to other overseas Shareholders (ie those without registered addresses in Australia or New Zealand) (**Foreign Shareholders**) having regard to:

- the number of Foreign Shareholders;
- the number and value of New Shares that would be offered to Foreign Shareholders;
- the cost of complying with overseas legal requirements.

Accordingly, the Offer is not being made, and no New Shares will be issued to, any Shareholders whose registered address is in a country other than Australia or New Zealand.

Where this Offer has been sent to Shareholders or others domiciled outside Australia or New Zealand and where the country's securities code and/or legislation prohibits or restricts in any way the making of the offers contemplated by this Offer, this Offer is provided for information purposes only.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction.

Return of a duly completed Entitlement and Acceptance Form will be taken by Strzelecki Metals to constitute a representation that there has been no breach of such regulations.

2.10 Privacy Statement

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your need as a shareholder and to facilitate distribution payments and corporate communications to you as a shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact the Company's share registry at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if the information required on the application for New Shares is not provided, the Company may not be able to accept or process your application.

3 WHAT YOU NEED TO DO

3.1 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled (**Entitlement**) is shown on the accompanying Entitlement and Acceptance Form.

If you take up your full Entitlement under the Entitlement Offer, you will not have your shareholding in Strzelecki Metals diluted.

As an Eligible Shareholder, you may:

- take up all of your Entitlement (refer section 3.2);
- take up part of your Entitlement and allow the balance to lapse (refer section 3.3); or
- allow all or part of your Entitlement to lapse (refer section 3.5).

Non-qualifying Foreign Shareholders may not take any of the steps set out in sections 3.2 – 3.5. See section 2.9 above.

3.2 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form for the New Shares, in accordance with the instructions set out in that form.

You should then forward your completed Entitlement and Acceptance Form together with your Application Monies, in accordance with section 3.5 to reach the Company's Share Registry no later than the Closing Date.

3.3 Taking up all of your Entitlement

If you wish to take up all of your Entitlement complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form. When completing the Entitlement and Acceptance Form, indicate the number of New Shares you wish to accept under the Offer and follow the steps required in accordance with section 3.2.

3.4 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement and allow the balance to lapse, complete the accompanying Entitlement and Acceptance Form for the number of New Shares you wish to take up, and follow the steps required in accordance with section 3.2. If you take no further action, the balance of your Entitlement will lapse.

3.5 Allow all or part of your Entitlement to lapse

If you do not take up your full Entitlement, your shareholding in Strzelecki Metals will be diluted with respect to your right to future earnings and net assets of Strzelecki Metals.

3.6 How do I accept all, or part, of my Entitlement

You may accept your Entitlement following the despatch of this Offer (expected to be 11 August 2010). Strzelecki Metals will accept Applications until the Closing Date.

You should read this Offer in its entirety before deciding to complete and lodge your Entitlement and Acceptance Form.

You may make payment of your Application Monies by cheque, bank draft or money order.

You should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies drawn on an Australian branch of an Australian bank for the Issue Price of the New Shares for which application is made. All cheques must be made payable to 'Strzelecki Metals Limited Rights Issue' and crossed 'Not Negotiable'. Do not forward cash or money orders. Receipts for Application Monies will not be issued.

Completed Entitlement and Acceptance Forms and accompanying cheques, bank drafts or money orders must be returned to the following address and received no later than 5.00pm ACST on the Closing Date.

By mail:

Strzelecki Metals Limited
Computershare Investor Services Pty Ltd
GPO Box 2987
ADELAIDE SA 5001

By delivery:

Strzelecki Metals Limited
Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5001

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

Acceptance of Applications under the Entitlement Offer

Lodgement of a completed Entitlement and Acceptance Form creates a legally binding contract between the Applicant and the Company for the number of New Shares applied for and is not revocable. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

4 PURPOSE OF THE OFFER

4.1 Purpose of the Offer and use of proceeds

The purpose of the Offer is to raise additional equity funding to enable Strzelecki Metals to assess resource projects and to meet anticipated costs associated with its Polish concession, and for general working capital purposes.

The proceeds of the Offer will be used for the following:

- The search for and potential acquisition of new mineral assets;
- The search for a joint venture partner to fund the Myskow, Poland project and the Company's Polish operations;
- To supplement the Company's working capital.

The Company is working with a number of advisors to look at mineral projects for future development. In the current economic climate there are number of projects in Australasia and beyond that bear close examination.

With the extension of the Concession for a further five years, the Company will seek joint venture funding for further drilling of the Myszkow Mo-Cu-W deposit to upgrade the JORC resource status of the core of the deposit from Inferred to Indicated. Following on from that step, an incoming party will fund the completion of the scoping study and the initiation of a pre-feasibility study.

5 RISK FACTORS

5.1 Overview

There are a number of factors, both specific to Strzelecki Metals and of a general nature, which may affect the future operating and financial performance of Strzelecki Metals and the outcome of an investment in Strzelecki Metals. There can be no guarantees that Strzelecki Metals will achieve its stated objectives, that forecasts will be met or that forward looking statements will be realised.

This section describes certain, but not all, risks associated with an investment in Strzelecki Metals. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as the other information contained in this Offer Document or of which they are otherwise aware.

5.2 Risk factors

(a) Share Market

Share market conditions may affect the quoted New Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- economic conditions and general economic outlook;
- changes in Australian and international stock markets;
- interest rates, inflation rates and currency fluctuations;
- changes in investor sentiment towards particular market sectors;
- taxation, government and monetary policies;
- the demand for, and supply of capital; and
- war, terrorism or other hostilities.

(b) Commodity Price Fluctuations

The price for commodities will depend upon available markets and substantial decline in the prices of commodities costs could have a material adverse affect on the Company.

(c) Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market prices. The Company's future possible profitability and the market price of its quoted New Shares can be affected by these factors, which are beyond the control of the Company and its Directors.

(d) *Government Policy*

Changes in Government, monetary policies, taxation and other laws and actions (including such matters as access to lands and infrastructure and compliance with environmental regulations) can have a significant influence on the outlook for companies and the returns to investors.

(e) *Exploration*

The future profitability of the Company and the value of its New Shares directly relates to the results of exploration. There are inherent risks in exploration activities. No assurances can be given that funds spent on exploration will result in discoveries that will be eventually viable.

(f) *Drilling*

Drilling activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of rigs and/or other equipment. Drilling may result in wells that, while encountering mineralisation, may not achieve economically viable results.

(g) *Operating*

Industry operating risks include fire, explosions, equipment failures, environmental hazards such as accidental spills or leakage of fuel or drilling fluids, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in legal proceedings being instituted against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damages occurring to third parties as a result of such risks may give rise to claims against the Company.

(h) *Environmental risks*

Mineral exploration, development and production can be potentially environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses.

(i) *Commercialisation*

Even if the Company discovers commercial quantities of mineralisation, there is no guarantee that the Company will be able to successfully mine, process or transport product to commercially viable markets, or sell the product to customers to achieve a commercial return.

(j) *Financing*

In order to meet work programs, develop discoveries and maintain and enhance existing assets, the Company may be required to raise additional capital. In the event such funds are not forthcoming, the Company may need to sell down or joint venture some or all of its mineral assets.

(k) *Insurance*

Insurance of all risks associated with mineral exploration and production is not always available and, where available, the cost can be high. Whilst the Company has insurance in place that is considered appropriate for its needs, it will not always be insured against all possible losses, either because of the unavailability of cover or because the premiums are excessive relative to the benefits that would accrue.

(l) *Joint Ventures*

The Company is a party to a joint venture agreement and may become a party to others, whether as Manager or Operator or not. Under such agreements, the Company may be required to participate in programs and budgets with which it does not agree with or have the cash resources to fund. It may also be required to contribute to any increases in capital expenditure requirements and/or operating costs. Furthermore, the situation could arise where any or all of the other joint venture parties are unable to fund their pro rata contributions to expenditure, in which instance the Company may have to make increased contributions to ensure that the program meets its objectives.

Where the Company is a non-Manager or non-Operator, it will be dependent to a degree on the effectiveness of the Manager or Operator. In such instances, the objectives and strategy of the Operator may not always be consistent with the objectives and strategy of the Company.

The Company will be required under joint venture agreements to pay its percentage interest share of all costs and liabilities incurred by the joint venture in connection with joint venture activities. In common with other joint venture parties, if the Company fails to pay its share of any costs and liabilities it may be deemed to have withdrawn from the joint venture and may have to transfer its interest in the tenements and other joint venture assets to the other joint venture participants.

The financial failure by any participant in a joint venture to which the Company is a party may have a significant and adverse impact on the Company.

(m) *Native Title and Aboriginal Heritage and Sacred Sites*

Native Title exists in some areas covered by mineral tenements in Australia in which the Company has an interest and as such it needs to comply with Agreements entered into with the relevant Aboriginal groups with respect to gaining access to the tenements and also managing potential heritage and sacred sites. Failure to do so could lead to a variety of negative outcomes, including delays in work programs, costs, legal action and Government interventions.

(n) *Mining Licences*

In order for production to commence in relation to any successful mineral discovery it may be necessary for a mining licence to be granted. There may be a risk that the relevant regulator will not grant the relevant licence.

(o) *Regulatory Approvals*

The Company requires Government regulatory approvals for its operations and must comply with those approvals and other applicable laws, regulations and policies. These requirements may from time to time affect the timing and scope of work the Company desires to undertake.

(p) *Land Access*

In order to undertake its exploration programs, the Company requires access to land, which is likely to require approvals from Government and negotiated agreements with landholders whose outcomes may not be as sought by the Company.

(q) *Reliance on Key Executives*

The success of the Company is dependent upon a number of highly qualified and experienced personnel, the loss of whose services could materially and adversely

affect the Company and impede the achievement of its business goals. The failure to retain and attract key highly qualified personnel could materially affect Strzelecki Metals' financial position.

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6 ADDITIONAL INFORMATION**6.1 Reliance on Offer Document**

This Offer Document has been prepared pursuant to section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35) for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document was lodged with the ASX on 23 June 2010.

Section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35) requires companies to lodge with the ASX a Cleansing Notice. The Company lodged a Cleansing Notice with the ASX on 28 July 2010.

In deciding whether or not to accept the Offer, you should rely on your own knowledge of the Company, refer to the documents lodged and the disclosures made by the Company on ASX (which are available on the ASX website at www.asx.com.au and seek advice from your financial or professional adviser.

6.2 Underwriting

This Offer has been fully underwritten by Taylor Collison Limited under the terms of the Underwriting Agreement.

Under the terms of the Underwriting Agreement:

- (a) The Underwriter will subscribe for all New Shares that are not taken up under the Offer and all other Shares that would have been allocated under the Offer to shareholders outside of Australia or New Zealand had the Offer been extended to those Shareholders and been taken up in full by those Shareholders;
- (b) The Company must pay to the Underwriter an underwriting fee of 5% and a management fee equal to 1% of the amount underwritten under the Offer. The Company must also reimburse the Underwriter for their legal costs and disbursements in relation to the Underwriting Agreement and the Offer and other out of pocket expenses such as travel and accommodation expenses, sundries, stamp duty and third party costs;
- (c) The Underwriter's obligation to subscribe for the underwritten Shares is conditional on:
 - (i) the ASX granting permission for official quotation of the New Shares; and
 - (ii) the Company providing to the Underwriters a notice stating the Shortfall and a certificate signed by 2 directors as to matters concerning the conduct of the Offer,by the time prescribed in the Underwriting Agreement for those events to occur;
- (d) In addition to other customary representations and warranties made to the Underwriter, the Company represents and warrants to the Underwriter that:
 - (i) the Company has complied with all relevant legislation, regulations, binding policies and guidelines in relation to the Offer;
 - (ii) to the best of the Company's knowledge, the Offer Document and other information made available to the public will not contain any material statement that is misleading or deceptive or likely to mislead or deceive and the Company has not and will not engage in such conduct; and

- (iii) the Company will not do or omit to do anything that is or may be likely to materially prejudice the prospects of the Offer.
- (e) The Company undertakes (amongst other things) to:
- (i) refrain from allotting or agreeing to allot Shares or other securities other than in accordance with the Offer or arrangements already in place as at the date of the Underwriting Agreement until the date that is 12 months after the Closing Date;
 - (ii) refrain from making any material statement concerning the Offer without the Underwriter's prior written consent; and
 - (iii) inform the Underwriter of the occurrence of any termination event;
- (f) The Underwriter may terminate the Underwriting Agreement in the following circumstances:
- (i) the Offer is withdrawn by the Company; or
 - (ii) listing approval has not been granted by the ASX by the date specified in the Underwriting Agreement or, having been granted, is subsequently withdrawn, withheld or qualified; or
 - (iii) the Underwriter forms the view on reasonable grounds that a corrective document should be lodged with ASX to comply with the Corporations Act and the Company fails to lodge a corrective document in such form and content and within such time as the Underwriter reasonably requires; or
 - (iv) the Company lodges a corrective document without the prior written agreement of the Underwriter; or
 - (v) the Company is prevented from allotting the underwritten Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
 - (vi) an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer, before the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
 - (vii) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (g) The Underwriter may only terminate the Underwriting Agreement in the following circumstances if it reasonably believes that the event has or is likely to have a materially adverse effect on the outcome of the Offer or materially increase the number of underwritten Shares or could give rise to a material liability for the Underwriters under any law or regulation:
- (i) it transpires that the Offer Document does not contain all the information required by the Corporations Act;
 - (ii) it transpires that there is a statement in the Offer Document that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from

the Offer Document or if any statement in the Offer Document becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Offer Document is or becomes misleading or deceptive or likely to mislead or deceive;

- (iii) a director or senior manager of the Company is charged with an indictable offence; or
- (iv) any of the following events occurs:
 - (A) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (B) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;
 - (C) (Contravention of constitution or Act): a contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (D) (Adverse change): an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, losses, prospects, business or operations of the Company;
 - (E) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (F) (Official Quotation qualified): the official quotation is qualified or conditional other than as permitted under the Underwriting Agreement;
 - (G) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
 - (H) (Prescribed Occurrence): a Prescribed Occurrence occurs;
 - (I) (Suspension of debt payments): the Company suspends payment of its debts generally;
 - (J) (Event of Insolvency): an Event of Insolvency occurs in respect of the Company;
 - (K) (Judgment against the Company): a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within seven days;

- (L) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company;
- (M) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the issue of the Underwritten Shares without the prior written consent of the Underwriter;
- (N) (Change in shareholdings): a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (O) (Timetable): there is a delay in any specified date in the timetable which is greater than 3 Business Days, without the prior written consent of the Underwriter;
- (P) (Force Majeure): a force majeure affecting the Company's business or any obligation under the Agreement lasting in excess of seven days occurs;
- (Q) (Certain resolutions passed): the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (R) (Capital Structure): the Company alters its capital structure in any manner not contemplated by the Offer Document;
- (S) (Market Movement): the S&P Materials index as at close of trading falls by more than 10% after the date of execution of the Underwriting Agreement;
- (T) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- (U) (Hostilities) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom any member state of the European Union, Indonesia, Japan, Russia or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries.
- (V) (Adverse Change in Financial Markets) there occurs any material adverse change or material adverse disruption to the political or economic conditions of financial markets in Australia, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions.

6.3 Interests of the Directors

The interests of the Directors and their related parties in the securities of the Company at the date of this Offer Document are as follows:

Director	Ordinary Shares	Listed Options	Unlisted Options
Peter Hunt ¹	136,923	48,000	750,000
Carl Dorsch ²	11,116,590	2,500,000	2,000,000
John Santich ³	20,140,857	Nil	18,999,480
Wieslaw Bogacz ⁴	19,811,941	Nil	18,688,013

¹ Shares and listed options held by Hunt Corporation Investments Pty Ltd as trustee for the Peter Hunt Superannuation Fund. Unlisted options held by Peter Hunt

² Shares held by Dorsch Consultants Pty Ltd as trustee for the Dorsch Family Trust and Carl William Dorsch & Margherita Janine Dorsch as trustee for the Dorsch Superfund together with other related parties of Carl William Dorsch.

³ Shares held by Archon Pty Ltd as trustee for the Archon (Santich) Discretionary Trust and Gardera Pty Ltd for the Santich Family Account.

⁴ Shares held by Archon Resource Technologies Pty Ltd as trustee for the Bogacz Account.

The Directors, as far as they are Shareholders registered as at the Record Date, may or may not subscribe for any or all of their full entitlement of New Shares pursuant to this Offer Document.

6.4 Obtaining copies of Documents

Strzelecki Metals will provide free of charge to any person who asks before the Offer closes, a copy of:

- the annual financial report of Strzelecki Metals for the year ended 30 June 2009 being the most recently lodged annual financial report of Strzelecki Metals before the date of this Offer Document;
- the half-year financial report of Strzelecki Metals for the period ended 31 December 2009 being the most recently lodged half-year financial report of Strzelecki Metals before the date of this Offer Document; and,
- any continuous disclosure notices given by Strzelecki Metals to ASX after the lodgement of the annual financial report of Strzelecki Metals for the year ended 30 June 2009 with ASIC and before lodgement of a copy of this Offer Document with the ASX.

6.5 CHESS

The New Shares will participate from the date of commencement of quotation in the Clearing House Electronic Subregister System (CHESS), operated by ASX Settlement and Transfer Corporation Pty Limited. They may be held in uncertificated form (i.e. no share certificate will be issued) on the CHESS subregister under sponsorship of a broker or on the issuer-sponsored subregister. New Shares subscribed for under the Entitlement Offer must be allotted to the registered holder in accordance with the applicable Entitlement and Acceptance Form.

If you wish to hold your Shares on the CHESS subregister under sponsorship of a broker, you should provide your HIN (Holder Identification Number) in the space provided in the Entitlement and Acceptance Form accompanying this Offer Document. If you do not provide an HIN, your Shares will be held on the issuer-sponsored subregister.

Arrangements can be made at any subsequent time to convert your holding from the issuer-sponsored subregister to the CHESSE subregister under sponsorship of a broker or vice versa by contacting Strzelecki Metals or your broker.

6.6 Taxation

Shareholders should be aware that there may be taxation implications of participating in the Offer. Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

6.7 Withdrawal of Entitlement Offer

The Directors reserve the right to withdraw all or part of the Offer at any time prior to the issue of New Shares, in which case the Company will refund Application Monies in accordance with the Corporations Act without payment of interest.

6.8 Overseas jurisdictions

This Offer Document does not, and is not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Shares, including by submitting the Entitlement and Acceptance Form you represent and warrant that there has been no breach of such laws.

The distribution of this Offer Document outside of Australia may be restricted by law and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liabilities to such persons. Eligible Shareholders who hold Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up New Shares under the Offer does not breach the selling restrictions set out in this Offer Document or otherwise violate the securities laws in the relevant overseas jurisdictions.

No action has been taken to register or qualify this Offer Booklet, the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia and New Zealand.

6.9 Governing Law

This Offer Document, the Offer and the contracts formed on acceptance of applications are governed by the laws of South Australia, Australia. Each applicant for New Shares submits to the exclusive jurisdiction of the courts of South Australia, Australia.

7 DEFINED TERMS

ABN means Australian Business Number;

ACST means Australian Central Standard Time;

Strzelecki Metals means Strzelecki Metals Limited ABN 35 116 249 060;

Applicant means an Eligible Shareholder who submits an Entitlement and Acceptance Form;

Application means an application by way of a completed Entitlement and Acceptance Form to subscribe for New Shares under this Offer Document;

Application Monies means the monies received from Applicants in respect to their Application;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the Australian Securities Exchange operated by ASX Limited;

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532);

Board means the board of directors of Strzelecki Metals;

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, and any other day that ASX declares is not a business day;

Closing Date means the last date for accepting an offer for New Shares, being 21 July 2010;

Company means Strzelecki Metals Limited;

Constitution means the constitution of the Company;

Corporations Act means the Corporations Act 2001 (Cth);

Directors means the directors of Strzelecki Metals;

Eligible Shareholders means a person who is a Shareholder on the Record Date who is not a Foreign Shareholder;

Entitlement means the non-renounceable right of an Eligible Shareholder to subscribe for New Shares pursuant to this Offer Document as set out in section 2.1;

Entitlement and Acceptance Form means the personalised form attached to or accompanying this Offer Document;

Entitlement Offer means the offer of Entitlements to New Shares pursuant to this Offer Document;

Foreign Shareholder means a Shareholder described in section 2.9;

Issue Price means \$0.01 per New Share;

Listing Rules means the official listing rules of ASX;

New Shares means, where the context requires, Shares to be issued pursuant to the Offer;

Offer means the Entitlement Offer;

Offer Document means this document, including the Entitlement and Acceptance Form;

Official Quotation means official quotation by ASX in accordance with the Listing Rules;

Opening Date means the date on which the Offer opens and on which the Offer Document is sent to Shareholders, being 6 August 2010;

Record Date means on 3 August 2010;

Right means the right to subscribe for 1 New Share for every 1 Share held on the Record Date and 'Rights' has a corresponding meaning;

Rights Issue means the issue of New Shares upon receipt of valid acceptances under this Offer;

Share means an ordinary share in the capital of Strzelecki Metals and 'Shares' has a corresponding meaning;

Shareholders means the registered holders of Shares as at the Record Date;

Share Registry means Computershare Investor Services Pty Ltd ACN 078 279 277;

Shortfall means the number of New Shares for which Applications in response to Entitlements under the Offer Document have not been received by the Closing Date;

Underwriter means Taylor Collison Limited ABN 53 008 172 450.

For personal use only

8 CORPORATE DIRECTORY**DIRECTORS**

Peter Hunt, Chairman

Carl Dorsch, Non Executive Director

John Santich, Non Executive Director

Wieslaw Bogacz, Non Executive Director

SECRETARY

Graham Seppelt

REGISTERED OFFICE

Level 5, 70 Pirie Street
ADELAIDE SA 5000
Telephone: + 61 8 8227 0555
Facsimile: +61 8 8227 0544

UNDERWRITER**Taylor Collison Limited**

Level 16, 211 Victoria Square
Adelaide SA 5000
Australia

LEGAL ADVISER**Kelly & Co.**

Level 21, Westpac House
91 King William Street
Adelaide SA 5000
Australia

SHARE REGISTRY**Computershare Investor Services Pty Ltd**
ACN 078 279 277

Level 5, 115 Grenfell Street
Adelaide SA 5000