



ASX Release

31 July 2012

**STRZELECKI METALS
LIMITED**
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Officeholders

Brian McMaster
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Issued Capital

414.0 million shares

ASX Symbol

STZ

JUNE 2012 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Strzelecki Metals Limited (“Strzelecki” or “Company”) has entered into a Heads of Agreement to acquire 100% of Wolf Petroleum Limited (“Wolf Petroleum”). This is a 100% scrip transaction.
- Wolf Petroleum shareholders to be offered twenty five (25) Strzelecki Shares for every one (1) Wolf Petroleum Share.
- Proposal to re name Strzelecki to Wolf Petroleum Limited.
- Wolf Petroleum is an unlisted highly successful Mongolian focussed oil and gas explorer.
- Wolf Petroleum is one of the largest and most active petroleum explorers in Mongolia and his currently running successful work programmes across three blocks.
- Mongolia is an emerging petroleum province with early exploration success and production being delivered proximal to Wolf Petroleum’s Blocks.
- Mongolia is “open for business” and actively encourages foreign investment in its resources sector. The Wolf Petroleum Board including; Matthew Wood, George Tumur and Tim Flavel have had considerable success operating in Mongolia.
- Exploration interests in both southern Poland and Western Australia were enhanced through the activities of the joint venture partners.

WOLF PETROLEUM LIMITED

The Company has entered into a Heads of Agreement with Wolf Petroleum pursuant to which it will acquire all of the issued capital in Wolf Petroleum through an offer to Wolf Petroleum shareholders. The offer will be an all scrip transaction with Wolf Petroleum shareholders to be offered 25 Strzelecki Shares for every Wolf Petroleum Share.

It is proposed that Strzelecki be renamed Wolf Petroleum Limited. Wolf Petroleum is an unlisted Mongolian focussed oil and gas explorer and is currently conducting successful work programmes across three blocks. Mongolia is an emerging petroleum province with early exploration success and production being delivered proximal to Wolf Petroleum’s Blocks. Wolf Petroleum currently holds joint survey exploration block contracts at Jinst and Baruun Urt and has been recently been awarded a third block at Sukhbaatar with a product sharing contract (PSC) to be awarded.

- Aggressive onshore, low cost exploration with elephant upside.
- Giant exploration package assembled across three blocks, with additional blocks being assessed.
- Shallow targets depths at between 500 metres and 3,000 metres.
- Strong and growing market domestically in Mongolia and in China.
- Blocks are proximal to multi-billion barrel oil fields located within Mongolia and within China to the south.
- Near term development potential, subject to successful exploration.
- Experienced Board of Directors. The Board of Directors and senior management team have an enviable track record operating in Mongolia.
- Mongolia is open for business and is actively encouraging investment in its resources sector.

Completion of the acquisition will be subject to conditions including ASX and shareholder approval, completion of due diligence and Strzelecki becoming entitled to acquire 100% of Wolf Petroleum as a result of Wolf Petroleum shareholders accepting the offers to be made to them by Strzelecki. Strzelecki continues to undertake due diligence on the acquisition. Due diligence is expected to be completed during August 2012.

POLISH PROJECT

Drilling continued at the Myszkow Mo-Cu-W deposit, under the auspices of Polish company SKKGM, 40% owned by Strzelecki. Drilling of the third diamond core hole, MS-1 was completed on 14 April. Drilling of the fourth hole, MS-6, commenced on 16 April and was completed on the 30 May. The core from the fourth hole (MS-6) has been cut, logged, and sent for chemical assays.

In summary, four holes have been completed to date as part of the current drilling program (MS-1, MS-2, MS-3, and MS-6), each to a depth of 1,000m, with assays having been received for drill holes MS-1, MS-2 and MS-3.

Table 1: Myszkow Project Planned Drill Hole Location

MYSZKOW PROJECT		DRILL HOLE LOCATIONS				
Hole No.	COLLAR			Grid Azimuth(°)	Dip(°)	Depth/Length (m)
	Easting(m)	Northing(m)	RL(m)			
MS-1	521985	299766	300	35	90	1,000
MS-2	521934	299694	300	35	90	1,000
MS-3	521890	299600	300	35	80	981 / 1,000
MS-6	522116	299578	302	305	80	971 / 1,000
Datum:	Polish Coodinate System 1992 (ETRS89)					

The drilling program in Myszków has been suspended pending receipt and analysis of all outstanding assays.

The recent results continue to support the broad patterns of mineral zoning identified in earlier drilling, including

- 136m at 0.5% Cu, 0.026% Mo, 0.017% W and 2.4g/t Ag from 159m in MS-1.
- 104m at 0.19% Cu, 0.118% Mo, 0.094% W and 1.1g/t Ag from 809m in MS-1.

The true widths of these intervals have yet to be determined.

WESTERN AUSTRALIA PROJECTS

Follow up sampling and geological mapping were conducted over the Scamp rare earth target and the Nundull base metal target in the eastern tenements of the joint venture's holdings in the West Musgrave. Results are pending.

In accordance with the provisions of the relevant Western Australian mining legislation, exploration licences numbered E69/2174 through E69/2181 were reduced in area by 50%. New exploration licences numbered E69/2997 to 2999, applied for last year, have now been granted and licences issued with the period of grant expiring on 12 June 2017.

CORPORATE

The Company completed a placement of 54 million shares at an issue price of 1.5 cents per share to raise \$810,000. The placement was made to nominees of Garrison Capital Pty Ltd, a corporate advisory firm specialising in the acquisition, funding and management of resources opportunities globally. As part of the transaction the Board was restructured with the appointment of Mr Brian McMaster as Executive Chairman and Mr Matthew Wood as Executive Director.

Brian McMaster **Chairman**

The technical information in this report relating to the Myszkow project has been reviewed and approved by Mr M Hatcher (a consultant to Strzelecki Metals Ltd) who is a member of the Australasian Institute of Mining and Metallurgy. Mr Hatcher has over 40 years' experience in the industry and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hatcher consents to inclusion in this report of these matters based on his information in the form and context in which it appears.

The technical information in this report relating to the West Musgrave Joint Venture has been reviewed and approved by Mr D Walker (a director of joint venture participant and manager Tortuga Advisors Ltd) who is a member of the Australasian Institute of Mining and Metallurgy. Mr Walker has over 25 years' experience in the industry and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Walker consents to inclusion in this report of these matters based on his information in the form and context in which it appears.

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