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The Manager  
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ASX Code: **SHE**

## **STONEHENGE SIGNS MOU WITH LISTED KOREAN RESOURCES DEVELOPMENT COMPANY**

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Stonehenge Metals Ltd (**Stonehenge** or the **Company**) is pleased to advise that it has signed a non-binding memorandum of understanding (**MOU**) with a KOSDAQ listed resource development company, Korea Resources Investment & Development Inc (**KORID**).

The MOU provides a framework to negotiate a binding term sheet agreement (**Term Sheet**) which would set out the key terms of a joint venture (**JV**) between KORID and Stonehenge.

The purpose of the JV is to accelerate the development of the mineral exploration rights and properties held by the wholly owned Korean subsidiary of Stonehenge, Stonehenge Korea Ltd (**SHEK**), with a particular focus on the vanadium and uranium potential of the Daejon Project. The MOU, which has a 60 day term, confirms the intended JV development objectives for Stonehenge's Daejon project, including:

- **Gaining access, through a collaboration agreement, to test 36,000 metres of mineralised historical core (from Stonehenge's Daejon Project area) stored at KIGAM<sup>1</sup>;**
- **Significantly upgrading current vanadium & uranium resource estimates in size and or confidence;**
- **Preparing a pre-feasibility study;**
- **Preparing work programs and budgets to support completion of a definitive or bankable feasibility study; and**
- **Sharing costs on all activities, including the analysis of historical core held by KIGAM.**

The binding Term Sheet is anticipated to require the exchange of equity between Stonehenge (via SHEK) and KORID, such that SHEK would be owned and controlled on an equal and equitable basis by Stonehenge and KORID.

Stonehenge continues to direct efforts in Korea towards a collaboration agreement, with the KIGAM<sup>1</sup>, to gain access to test 36,000 metres of historical drill core from the Daejon Project resource area.

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<sup>1</sup> Korea Institute of Geoscience and Mineral Resources (KIGAM) is a research institute under the Korean Ministry of Trade, Industry and Energy.



The objectives of the historical core testing are to significantly extend the vanadium resource from the recent maiden announcement and to upgrade the confidence of the uranium resource to the measured category. These objectives can be achieved through non-destructive testing of the existing core without the expense of further drilling.

In addition, the Company will continue its pursuit of strategic alliances with other Korean companies in the energy, steel and minerals sectors.

Stonehenge Chairman Richard Henning said “the MOU with KORID is a pivotal event for Stonehenge in Korea. This document outlines the broad terms and principles upon which Stonehenge and KORID can confidently negotiate a binding agreement. A JV with KORID would materially enhance our efforts to extract value from the significant vanadium and uranium potential at Daejon.”

The Company also advises that it has arranged \$120,000 of working capital funding via a convertible loan. The loan, provided by parties including the Directors of Stonehenge, will convert into Stonehenge shares, subject to shareholder approval, at a price which is 80% of the price of the next significant capital raising.

Stonehenge continues to actively evaluate other new project opportunities in the resources and energy sectors.

For further information visit [www.Stonehengemetals.com.au](http://www.Stonehengemetals.com.au) or contact:

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## **ABOUT KOREA RESOURCES INVESTMENT & DEVELOPMENT INC (KORID)**

KORID is a Korean public company listed on KOSDAQ<sup>2</sup> with a market capitalisation of approximately A\$54m. KORID is focused on developing mineral and energy resources and has entered into partnership agreements with a number of third parties, including KIGAM and KORES<sup>3</sup>, for exploration and development of mineral resources. More information about KORID can be found at their website <http://www.korid.co.kr/english/company/history>.

<sup>2</sup> Korean Securities Dealers Automated Quotations or KOSDAQ is the SME trading board of the main South Korean Exchange (KRX) with approximately 1,000 companies listed.

<sup>3</sup> Korea Resources Corporation (KORES) specialises in mineral resources information, research and development in Korea. KORES is based in Seoul and focuses on supplying energy and industrial mineral resources including coal, uranium, iron, copper, zinc, and nickel with branch offices in Toronto, Lima, Sydney, Beijing, Pretoria, Almaty, Jakarta & Kinshasa.

## ABOUT STONEHENGE METALS

Stonehenge Metals Limited (ASX Code: SHE) is developing a multi-mineral project in South Korea. Stonehenge owns 100% of the rights to three projects in South Korea, including the Company's flagship Daejon Project, which contains the largest uranium resource within South Korea at **66.7Mlbs** grading **329ppm U<sub>3</sub>O<sub>8</sub>** at a cut-off of **200ppm U<sub>3</sub>O<sub>8</sub>** (JORC 2004 compliant). Recently, the Company established a maiden vanadium resource of **17.3Mlbs** (largely indicated) grading **3,186ppm V<sub>2</sub>O<sub>5</sub>** at a cut-off of **2,000ppm V<sub>2</sub>O<sub>5</sub>**.

U <sub>3</sub> O <sub>8</sub> Mineral Resource Estimate at a 200 ppm U <sub>3</sub> O <sub>8</sub> cut-off			
Classification	Tonnes	Grade	Metal
	Mt	ppm	Mlbs
Indicated - Chubu	3.3	247	1.8
Inferred - Chubu	45.9	335	33.9
<b>Sub-Total Chubu</b>	<b>49.2</b>	<b>329</b>	<b>35.7</b>
Inferred - Yokwang	39	310	26
Inferred - Kolnami	7	340	5
<b>Total</b>	<b>95.2</b>	<b>329</b>	<b>66.7</b>

V <sub>2</sub> O <sub>5</sub> Mineral Resource Estimate at a 2,000 ppm V <sub>2</sub> O <sub>5</sub> cut-off			
Classification	Tonnage	Grade	Metal
	Mt	ppm	Mlbs
Indicated	2.3	3,208	16.5
Inferred	0.1	2,788	0.8
<b>Total</b>	<b>2.5</b>	<b>3,186</b>	<b>17.3</b>

Vanadium Exploration Target <sup>1</sup>		
Tonnes (Mt)	Grade V <sub>2</sub> O <sub>5</sub> (ppm)	Contained V <sub>2</sub> O <sub>5</sub> (Mlbs)
<b>70 - 90</b>	<b>2,500 - 3,500</b>	<b>385 - 695</b>

from the 2013 drilling at Chubu and Gwesan (refer announcements 15 July and 13 November 2013) that demonstrated vanadium mineralisation through the black shales. The geology in the Okcheon belt consists of a meta-sedimentary sequence that is composed of three formations including Wunkyori, Hwajeonri and Guryongsan. The stratigraphic sequence within the belt at the Gwesan project comprises dark grey Phyllite, overlain by the black shale (ore zone) and a fine grained sandstone.

## South Korean Project Locations



<sup>1</sup>The potential quantity and grade of the exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The vanadium exploration target is based on exploration results



The historical drilling at the Gwesan project has demonstrated black shale deposits along 10km of strike. KORES completed three drill holes targeting the mineralised black shale at Gwesan in order to verify the mineralisation zone throughout the area. All three drill holes were completed at a total depth of 100m respectively, and several ore zones have been intercepted from 3m to up to 11m in each drill hole.

The best intercept of 0.35% V<sub>2</sub>O<sub>5</sub> in the first hole provides encouraging results (refer ASX announcement 13 November 2013).

More drilling will be required to define the high grade mineralisation zone in the area. The mineralisation remains open at depth and along the 10km strike. The project is in its exploration stage and the additional drilling is expected to increase the potential to discover high class uranium and vanadium Mineral Resources at Gwesan.

Stonehenge expects to test the validity of the exploration target once access to historical drill core is obtained and the Company is able to assay the core for vanadium mineralisation. The Company is continuing its efforts to access the core and further updates on this progress will be advised as soon as it becomes available.

This information was prepared and first disclosed under the JORC Code 2004 (refer ASX announcement 29 August 2013). It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

### **Competent Person's statement**

The information contained in this ASX release relating to exploration results and Mineral Resources has been compiled by Mr. Ian Glacken of Optiro Ltd. Mr. Glacken is a Fellow of The Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Glacken consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.