



QUARTERLY ACTIVITIES REPORT



ASX CODE: SHE

PERIOD ENDING 30 JUNE

Stonehenge Metals Ltd

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HIGHLIGHTS

- Stonehenge signs MoU with listed Korean resources development company
 - Appointment of Bruce Lane as Executive Director
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Stonehenge Metals Limited (ASX:SHE) (**Stonehenge** or the **Company**) is pleased to provide shareholders with the following quarterly activities report for the June quarter.

Subsequent to the quarter, the Company advised 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 KIGAM¹;**
- **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 KIGAM¹, to gain access to test 36,000 metres of historical drill core from the Daejon Project resource area.

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.

Corporate

During the quarter, the Company advised of the appointment of Bruce Lane as an Executive Director. Mr Lane (BCom, MSc, GAICD) is a former Executive Director of Stonehenge Metals and brings to the Board a broad range of operational management and corporate experience including past roles as Non-executive Director of ASX listed Kunene Resources Ltd and Executive Director of ASX listed Atom Energy Limited (now Excelsior Gold Ltd).

Mr Lane's recent engagements have involved the execution of a number of successful corporate & operational events including capital raisings, acquisitions (both in Australia and offshore), joint ventures and minerals exploration campaigns. Mr Lane has worked with numerous early stage technology companies as an advisor, investor and manager and also managed a number of successful ASX IPOs and secondary raisings for ASX companies.

Prior to completing a Sloan Fellowship Master's degree at London Business School (LBS) Mr Lane gained 13 years' of international management experience with global 'blue chip' companies.

Subsequent to the quarter, the Company advised that it 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.

For further information please visit:
www.stonehengemetals.com.au

Stonehenge Metals Limited

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

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 **65.0Mlbs** grading **320ppm U₃O₈** at a cut-off of **200ppm U₃O₈** (JORC (2004) compliant). Recently, the Company established a maiden vanadium resource of **17.3Mlbs** (largely indicated) grading **3,208ppm V₂O₅** at a cut-off of **2,000ppm V₂O₅**.

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

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

This information was prepared and first disclosed under the JORC Code 2004. 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.

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

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.

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% V₂O₅ in the first hole provides encouraging results (refer ASX announcement 13 November 2013).

South Korean Project Locations



¹The 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 from the 2013 drilling at Chubu and Gwesan (refer announcements

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 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 Member of The Australian Institute of Mining and Metallurgy. Mr. Glacken 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 2012 and 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.

Appendix 1 - Stonehenge Tenement Details:

Registration Number	Land Register	Number	Area (ha)	Interest %	Registration Date	Registrant	Property
76967	Gwesan	114	275	100%	28/05/2008	Stonehenge Korea	Goesan [Gwesan]
76942	Gwesan	115	275	100%	14/05/2008	Stonehenge Korea	
76965	Gwesan	117	275	100%	28/05/2008	Stonehenge Korea	
76966	Gwesan	118	275	100%	28/05/2008	Stonehenge Korea	
76964	Gwesan	124	275	100%	28/05/2008	Stonehenge Korea	
76941	Gwesan	125	275	100%	14/05/2008	Stonehenge Korea	
76968	Gwesan	126	275	100%	28/05/2008	Stonehenge Korea	
76969	Gwesan	128	275	100%	28/05/2008	Stonehenge Korea	
79161	Gwesan	137	275	100%	12/01/2011	Stonehenge Korea	
77018	Miwon	36	276	100%	11/06/2008	Stonehenge Korea	
77019	Miwon	46	276	100%	11/06/2008	Stonehenge Korea	
77020	Miwon	58	276	100%	11/06/2008	Stonehenge Korea	
77225	Miwon	37	276	100%	21/08/2008	Stonehenge Korea	
77291	Miwon	47	276	100%	23/09/2009	Stonehenge Korea	
77292	Miwon	57	276	100%	23/09/2009	Stonehenge Korea	
77010	Okcheon	136	138	100%	10/06/2008	Stonehenge Korea	Daejon [Daejeon]
77011	Daejon	18	277	100%	10/06/2008	Stonehenge Korea	
77012	Daejon	28	259	100%	10/06/2008	Stonehenge Korea	
77013	Daejon	38	277	100%	10/06/2008	Stonehenge Korea	
77014	Daejon	48	277	100%	3/07/2008	Stonehenge Korea	
77038	Ogchon	147	277	100%	19/06/2008	Stonehenge Korea	
77039	Daejon	17	103	100%	19/06/2008	Stonehenge Korea	
77114	Daejon	7	190	100%	3/07/2008	Stonehenge Korea	
77115	Daejon	27	56	100%	3/07/2008	Stonehenge Korea	
77363	Daejon	47	242	100%	16/10/2008	Stonehenge Korea	
77364	Daejon	57	186	100%	16/10/2008	Stonehenge Korea	
200204	Daejon	59	228	100%	18/12/2012	Stonehenge Korea	