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Market Announcements Platform
ASX Limited,
Exchange Centre,
20 Bridge Street,
Sydney NSW 2000



NUCLEAR POWER INDUSTRY PLAYER MAKES STRATEGIC INVESTMENT IN STONEHENGE URANIUM JV

- Stonehenge's Uranium JV attracts strategic investor, listed Korean company, BHI Co Ltd (**BHI**)
- BHI will acquire 20% of the shares in Stonehenge Korea Ltd (**SHK**) from existing JV partner, KORID. KORID to retain 30% interest in SHK
- BHI is a leading engineering company focused on the nuclear power industry and partnered with significant industry participants such as Daewoo Engineering and Construction, POSCO and Amec Foster Wheeler
- Strategic investment by leading industry player, BHI, underpins the value of SHK's uranium assets and is expected to help accelerate the development of the SHK's flagship asset, the Daejon project

Stonehenge Metals Limited (**Stonehenge, SHE** or the **Company**) is pleased to advise that its JV partner in Korea, Korea Resources Investment & Development Inc. (**KORID**), has sold 20% of its holding in the Korean JV entity, Stonehenge Korea Ltd (**SHK**), to BHI Co Ltd (**BHI**).

BHI is a large engineering company listed on the Korea Stock Exchange (KOSDAQ) with turnover of ~\$650 million in 2014. BHI has a strong focus on the Nuclear power industry and has partnered with leading companies including Daewoo Engineering and Construction, POSCO and Amec Foster Wheeler.

This investment by BHI provides further validation for the Stonehenge Korea JV (**SHK**) operation which owns 100% of the rights to three projects in South Korea, including the largest uranium resource in the country contained within the Daejon Project.

Following the completion of the transaction BHI holds 20% in SHK, with KORID retaining 30% and Stonehenge maintaining its current 50% holding in the JV. KORID and BHI have together agreed to be bound by the terms of the existing SHK shareholder agreement. In consideration for the sale of SHK shares to BHI, KORID will receive KWON 1 Billion (~A\$1.15 million).

Managing Director, Bruce Lane said:

“We are very pleased that BHI has agreed to join Stonehenge and KORID with a substantive ownership position in our JV company, Stonehenge Korea. Their acquisition of 20% underpins the value of the Daejon project. BHI are well credentialed in the power industry and now have a particular focus on Nuclear power. BHI’s support and their partnerships in Korea with POSCO, Daewoo and Amec Foster Wheeler, positions Stonehenge Korea to accelerate the work program planned for the Daejon project. The Stonehenge Korea team looks forward to working with BHI to unlock the potential of the Daejon uranium/vanadium project.”

Stonehenge Korea continues to work towards:

- Securing a collaboration agreement with the Korean Institute of Geoscience and Mineral Resources (**KIGAM**) to test the relevant sections from within the 36,000 metres of mineralised historical drill core (from Stonehenge Korea’s Daejon Project area) stored at KIGAM;
- Significantly upgrading the current Daejon Project resource estimates in size and or confidence;
- Preparing a pre-feasibility study for the Daejon project; and
- Preparing work programs and budgets to support completion of a definitive or bankable feasibility study for the Daejon project.

The Company also continues to focus on accelerating the development of the Protean™ Wave Energy technology and expects to lodge a notice of meeting in the coming weeks so that shareholders can vote on a number of matters including a change of company name, change of nature and scale and lodgement of a prospectus.

For further information see www.stonehengemetals.com.au, www.proteanwaveenergy.com or contact:

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ABOUT BHI CO LTD

[BHI Co Ltd](#) is a South Korean company established in 1998 with the aim of becoming a global power plant equipment supplier. In the power plant field, BHI have established a technical partnership with [Amec Foster Wheeler](#) (a global multidisciplinary engineering firm) and a strategic partnership with [POSCO](#) (the world's 5th largest steel maker). BHI turned over approximately \$650 million in 2014 with 562 employees working in six Korean manufacturing bases and 13 overseas operations including the USA, UK, China, Japan, Qatar, UAE and Kuwait etc. BHI's total assets as at 31 December 2014 was \$675 million with a market capitalisation of approximately \$145 million as at 30 June 2015.

In June 2015, BHI entered into a JV arrangement with POSCO Engineering & Construction and [Daewoo Construction](#) and four other Korean companies to establish a SMART Power Company. SMART (System-integrated Modular Advanced Reactor) company will conduct a three-year preliminary study to review the feasibility of constructing SMART reactors in Saudi Arabia. The cost of building the first SMART unit in Saudi Arabia is estimated at \$1 billion. According to the US Ministry of Energy, the global market is expected to have 500-1000 SMART units and be \$350 billion by year 2050.

ABOUT STONEHENGE KOREA LIMITED

Stonehenge Metals Limited (ASX Code: SHE) is developing a multi-mineral project in South Korea through its 50% holding in Stonehenge Korea Limited (Stonehenge Korea). Stonehenge Korea is a JV company with two KOSDAQ listed industry partners being Korea Resources Investment & Development Inc. (KORID) and BHI Co Ltd (BHI). Stonehenge Korea owns 100% of the rights to three projects in South Korea, including the Company's flagship Daejeon Project. The Daejeon Project contains the largest uranium resource within South Korea at **66.7Mlbs** grading **329ppm U₃O₈** at a cut-off of **200ppm U₃O₈** (JORC 2004 compliant). The Company has also established a maiden vanadium resource of 17.3Mlbs (largely indicated) grading **3,186ppm 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

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

Uranium Exploration Target ¹		
Tonnes (Mt)	Grade U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (Mlbs)
15 - 59	300 - 500	17-39

¹ The potential quantity & grade of the exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource & it is uncertain if further exploration will result in the definition of a

Mineral Resource. The vanadium and uranium exploration targets are based on exploration results from the 2013 drilling at Chubu & Gwesan (refer announcements 15 July & 13 November 2013) that demonstrated vanadium and uranium mineralisation through the black shales. The geology in the Okcheon belt consists of a meta-sedimentary sequence that comprises three formations, Wunkyori, Hwajeonri & Guryongsan. The stratigraphic sequence within the belt at the Gwesan project comprises dark grey phyllite, overlain by the black shale (ore zone) & 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 holes were drilled to a total depth of 100m and several ore zones between 3m and 11m have been intercepted in each drill hole.

The best intercept of 3500 ppm V₂O₅ & <10 ppm U₃O₈ in the first hole provides encouraging results (refer ASX announcement 13 Nov 2013). More drilling will be required to define the high grade mineralisation zone in the area. The mineralisation remains open at depth & 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 2012 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.